

# Public Document Pack



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

Mr Richard Parry Jones, BA, MA.  
Prif Weithredwr – Chief Executive

CYNGOR SIR YNYS MÔN  
ISLE OF ANGLESEY COUNTY COUNCIL  
Swyddfeydd y Cyngor - Council Offices  
LLANGFNI  
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<b>RHYBUDD O GYFARFOD</b>	<b>NOTICE OF MEETING</b>
<b>PWYLLGOR GWAITH</b>	<b>THE EXECUTIVE</b>
<b>DYDD LLUN, 18 CHWFROR, 2013 10.00 o'r gloch</b>	<b>MONDAY, 18 FEBRUARY 2013 10.00 am</b>
<b>SIAMBR Y CYNOR – SWYDDFEYDD Y CYNGOR, LLANGFNI</b>	<b>COUNCIL CHAMBER - COUNCIL OFFICES, LLANGFNI</b>
Rheolwr Gwasanaethau Pwyllgor	<b>Mr John Gould</b> <b>(01248) 752 515</b>  Committee Services Manager

**Annibynnol Gwreiddiol/Original Independent**

R LI Hughes, K P Hughes, O Glyn Jones, B Owen and G O Parry MBE

**Plaid Cymru/The Party of Wales**

T LI Hughes and R G Parry OBE

**Plaid Lafur/Labour Party**

W J Chorlton

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I Aelodau'r Cyngor Sir / To the Members of the County Council

Bydd aelod sydd ddim ar y Pwyllgor Gwaith yn cael gwahoddiad i'r cyfarfod i siarad (ond nid i bleidleisio) os ydy o/hi wedi gofyn am gael rhoddi eitem ar y rhaglen dan Reolau Gweithdrefn y Pwyllgor Gwaith. Efallai bydd Bwrdd y Comisiynwyr yn ystyried ceisiadau gan aelodau sydd ddim ar y Pwyllgor Gwaith i siarad ar faterion eraill.

A non-Executive member will be invited to the meeting and may speak (but not vote) during the meeting, if he/she has requested the item to be placed on the agenda under the Executive Procedure Rules. Requests by non-Executive members to speak on other matters may be considered at the discretion of the Board of Commissioners.

## A G E N D A

**1 DECLARATION OF INTEREST**

To receive any declarations of interest from any Member or Officer in respect of any item of business.

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

No urgent matters at the time of dispatch of this agenda.

**3 2012-13 REVENUE AND CAPITAL BUDGET MONITORING REPORT - QUARTER 3 (Pages 1 - 20)**

**Revenue**

To submit the report of the Head of Service (Finance)

**Capital**

To submit the report of the Head of Service (Finance)

**4 BUDGET 2013-14 AND IMPROVEMENT PRIORITIES (Pages 21 - 208)**

**(a) Consultation on Budget Proposals**

To submit the report of the Head of Service (Policy) on the outcome of consultations on the budget proposals.

**(Members are requested to retain their copy of the above report which will be considered at the County Council meeting on 5<sup>th</sup> March, 2013).**

**(b) Scrutiny Observations and Feedback on the Budget Proposals for 2013-14**

To submit the report of the Chair of the Corporate Scrutiny Committee.

**(c) Budget 2013-14 and the Medium Term Revenue Strategy**

To submit the report of the Head of Function (Resources) on the final budget proposals to the County Council.

**(ch) Capital Plan and Treasury Management**

To submit the report of the Head of Function (Resources)

**(d) Improvement Priorities 2013-14**

To submit the report of the Head of Service (Policy)

**5** **(A) HOUSING RENT HRA 2013-14** (Pages 209 - 220)

To submit the report of the Head of Service (Housing)

**(B) HRA Budget 2013-14**

To submit the report of the Head of Service (Finance)

**6** **CHANGES TO THE COUNCIL CONSTITUTION** (Pages 221 - 248)

Changes to the following parts of the Constitution:-

1. Committee Structure
2. Member Officer Protocol
3. Multi Member Ward Protocol
4. Compulsory Training

To submit the report of the Head of Function (Legal and Administration)

**(Members are kindly requested to retain their copy of their report which will be considered at the County Council Meeting on 5<sup>th</sup> March, 2013).**

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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>REPORT TO</b>	<b>EXECUTIVE COMMITTEE</b>
<b>DATE</b>	<b>18 FEBRUARY 2013</b>
<b>SUBJECT</b>	<b>BUDGET MONITORING 2012-13 REVENUE BUDGET THIRD QUARTER</b>
<b>PORTFOLIO HOLDER(S)</b>	<b>COUNCILLOR JOHN CHORLTON</b>
<b>LEAD OFFICER(S)</b>	<b>HEAD OF SERVICE (FINANCE)</b>
<b>CONTACT OFFICER</b>	<b>EINIR WYN THOMAS (EXT. 2605)</b>
<p><b>Nature and reason for reporting</b></p> <p>Revenue Budget Monitoring: responsibility for corporate level budget monitoring and taking decisions of virement or to rectify overspends within the Authority delegated by the County Council lies with the Executive.</p>	

<b>A – Introduction / Background / Issues</b>
<p>This is the third quarter progress report on the 2012-13 revenue budget, relating to the position at 31 December 2012 with updated projections on corporate and corporate risk budgets.</p> <p>The table at Appendix A summarises expenditure against the profiled revenue budget for each Service, for the third quarter of the year. This is further broken down in Appendix B (expenditure) and C (income). Budget virements requiring approval by the Committee are detailed in Appendix Ch.</p> <p>The report emphasises the position on corporate accounts and budgets and draws attention to significant items or trends within Service budgets. It also provides a projection of out-turn for 2012-13.</p>

<b>B – Considerations</b>
<p><b>1. <u>SERVICE BUDGETS</u></b></p> <p>The following show the trends relating to the Services.</p> <p><b>1.1 Education</b></p> <p>As in previous years, there is significant pressure on the secondary school integration budget. There is an overspend of £399k against the profiled budget at the end of Quarter 3, and, whilst work is underway to reduce staffing levels, an overspend of £500k is anticipated by the end of the year as the benefits of this work will not be evident until the fourth quarter with the full year effect in 2013-14. This forecast includes £60k in respect of redundancy costs which are to be borne by the Education Department.</p>

The primary integration budget is also overspending (£102k at Quarter 3). Work had been done to bring this expenditure back into line, however, further efficiency savings that were applied during the 2012-13 budget cycle will not be achieved. It is expected that this budget will be overspent by the sum of the efficiency saving of £150k. Work is now underway to bring this budget back into line.

In addition, there is an anticipated overspend on school meals (£100k), partly offset by a forecasted underspend on the Youth Service (£20k). A further overspend on education welfare staff (£44k) is likely to be funded as part of the recovery programme for Education.

This gives a total forecast overspend of £774k, which is receiving attention to ensure that the position does not recur next year. This is £150k more than forecast at the end of the second quarter.

## **1.2 Waste Management**

The service forecasts an underspend of £190k by the end of the year slightly more than the £170k reported in Quarter 2.

There are forecast underspends of £30k on waste disposal (refuse collection and landfill tax), £32k on refuse collection and the purchase of wheelie bins, £55k on general costs of the Penhesgyn Refuse Disposal site, £80k on Penhesgyn Gas Management and £20k on the Cleansing Service.

As a consequence of previous decisions, the forecast surplus of £80k on Penhesgyn Gas Management will be used to make additional payments against the outstanding loans. This was an 'invest to save' type scheme where the intention was to repay the £1.087m unsupported borrowing over the life of the project, with interest.

## **1.3 Highways**

The service is forecasting an overspend of £35k at Quarter 3, a slight improvement on the £40k reported in Quarter 2.

Car park income will be underachieved by £55k. This is partly offset by staff savings of £30k on School Crossing Patrols plus other small variances. As reported previously, the service should be able to manage within resources.

## **1.4 Social Services**

There are significant pressures in several services within the Social Services budget and the Quarter 2 report highlighted the risk that the overspend at year end would be substantial (up to £1.9m) unless urgent action was taken to mitigate the position.

Detailed scrutiny of spending proposals, improved year end forecasting, closer budget monitoring together with the implementation of various cost saving initiatives have all contributed to a substantial reduction in the projected net overspending, which is forecast to be around £0.5m at 31st March 2013.

There are, however, a number of very significant underlying pressures within the service and the department continues to implement a number of initiatives to address the areas that are currently overspending. Those areas of greatest concern are as follows:-

Adult Services - There is a significant overspend in respect of the provision of residential accommodation in the private sector for elderly clients (£525k) and for clients with mental health needs (£286k), although this is partially offset by savings of £205k on services for those clients with learning difficulties.

Children's Services - Non-Standard placements for Looked-After Children. Additional numbers of children and young persons being cared for by the Authority will result in a projected overspend of £732k by the 31st March 2013 although a number of actions are being taken to minimise the financial pressure including:

- Recruitment of additional foster carers;
- Establishing a Senior Accommodation Panel to assess all non-standard and out of county care packages;
- Renegotiating contracts with providers.

A major restructuring within the service and the appointment of a number of permanent staff has reduced the reliance upon agency staff. A budget review, which is on-going, has already identified a number of savings arising from changes in provision which partially offset the additional expenditure on Looked-After Children.

Provider Unit - a number of staffing savings and a review of budgets in the Provider Unit of the department has already identified savings projected to be £112k at year end.

### **1.5 Leisure and Culture Service**

The service is forecasting a deficit of £103k by the end of the year mainly due to the non achievement of the saving for the year from the parks and open spaces budget (£40k) and an expected shortfall in income, including the golf course (£53k), archives (£40k) and museums and galleries (£25k). This is partly offset by improved income on leisure centres (£20k) as a result of increased usage as a result of the Olympic Games.

This is an improvement on Quarter 2 of £68k mainly due to a reduction in the forecast income shortfall on museums and galleries (now £25k rather than £50k in Quarter 2) and the improved income on the leisure centres (£20k).

### **1.6 Property**

Once again this year, there are significant savings from the internalising of the cleaning contract, which will become formal efficiency savings in next year.

### **1.7 Other Services**

The other services are generally forecasting small variances which should, in most cases, be brought back into line by remedial action including the use of service reserves where they exist. This is a change to previous years where there was a pattern of under spending.

## 2. CORPORATE AND CORPORATE RISK BUDGETS

	Original £000	Year End Projection £000	Explanation
Out of County Placements – Social Services	1,559	0	Expected to be within budget
Out of County Placements – Education	1,028	0	Expected to be within budge
Homelessness	307 net	-60	Full effect of Welfare Reform yet to be seen, net of £40k overspend on Private Sector Leasing
Benefits	20,721 gross 28 net	+145	Effects of revised benefit rules re homelessness and changes to previous year benefit claims
Interest and Debt Charges	7,077	0	Expected to be within or slightly above budget
Corporate & Democratic Costs	4,910	-150	Members allowances saving (£100k) plus External Audit grant fees saving (£50k)
Council Tax	26,704	300	Anticipated deficit on tax base and collection
<b>Projected overspend</b>		235	

- 2.1** The Homelessness budget is expected to show a surplus of £60k due to the transition applied during the introduction of Welfare Reform, which means that demand has yet to reach the feared levels. However, there will be legislative changes with effect from the fourth quarter, the effects of which are difficult to quantify. This is slightly less than the £70k underspend reported in Quarter 2 due to a £10k increase in the overspend on Private Sector Leasing to £40k.
- 2.2** Social Services and Education Out of County placements are expected to be contained within budget, as in Quarter 2.
- 2.3** There is expected to be a shortfall between benefits paid and subsidy received of £173k, £145k worse than the original budget. The main reason arises from the changes in welfare benefit rules around bed and breakfast accommodation for homeless people. The use of bed and breakfast accommodation has been highlighted as a performance issue that needs to be addressed. The variance also includes audit changes in subsidy claims.
- 2.4** The Corporate & Democratic Budget is expected to be underspent by £150k at the end of the year mainly due to an underspend on members allowances (£100k), caused by the return to paying responsibility allowances being later than anticipated, and a reduction in fees charged by external audit (£50k) for grants audit as a consequence of reduction in grant schemes. There is an anticipated shortfall of around £300k on council tax income because of the deficit on the tax base and collection arising because of delays in completion and occupation of new properties.



### **3. SAVINGS PROGRAMMES AND CONTINGENCIES**

**3.1** As reported previously, two corporate savings targets will not be achieved this year. The Employees' Terms and Conditions saving of £230k is now deferred into 2013-14 at a reduced level. The Procurement savings target of £150k has been partly achieved and is likely to be achieved in full next year.

**3.2** Contingencies were included in the budget for the current year. These are relatively small in view of the risks to the achievement of savings targets. The main contingencies are:

- Contingency for slippage on savings programme - £334k;
- Contingency for retendered contracts and other items of uncertainty at the time the budget was set - £306k;
- General contingency - £243k.

Unbudgeted savings and clawback from services are added to the general contingency.

During the year to date, the call on the contracts contingency has been £172k. There has also been an unbudgeted saving of £70k from the part year effect of the retendering of the insurance programme.

Virements for these items are included in Appendix Ch.

**3.3** As the Quarter 2 report identified potential significant overspends, a review was undertaken of all current year reserves and budgets. A unallocated budget of £1m has been identified in the capital budget which could be released. This is backed by cash from previous years revenue contributions and can, by decision of the County Council, be released to support the revenue budget.

**3.3** Redundancies: A one off contingency of £1.2m was approved in the 2012-13 budget. This is being controlled by the Senior Leadership Team and current projections are that redundancies required by the approved savings programme will be managed within the available contingency. Currently the call on this contingency is £742k for redundancy, lump sum pension payments and pay in lieu of notice leaving £458k which, as things stand, can be made available in 2013-14.

<b>Contingency</b>	<b>Original Sum</b>	<b>Used</b>	<b>Comments</b>
Slippage	£334k	All: £90k set against cost of delayed redundancy; remainder against corporate savings	Set against slippage
Contracts	£306k	£172k see Appendix Ch	Remainder to be set against overspend
General	£269k	£136k see Appendix Ch £190k clawed back from service budget (App Ch)	Remainder to be set against overspend
Severance	£1,200k	£742k used	£458k remains available

### **4. FURTHER FINANCIAL RISKS AND PRESSURES**

**4.1** Financial risks are being discussed regularly by management.

**4.2** Outcome Agreement Grant has been paid at a reduced level over the last two years due to partial achievement of the Outcome Agreement with Welsh Government. The outcome for last year has now been confirmed at 100% achievement – an improvement of £180k on the 75% achievement in the budget.

- 4.3 The action plan in response to the recent Estyn inspection is being prepared and will lead to additional expenditure. It is anticipated that a contribution from the performance contingency, funded from Outcome Agreement Grant, will be made available.
- 4.4 As part of the implementation of new financial systems, an exercise is being undertaken to review and writeoff ageing debt on the sundry debts system. It is expected that the write off will be contained within existing bad debt provisions.
- 4.5 A grant of £92k has now been confirmed for the current year to cover the cost of implementation of the Council Tax Support Scheme. The grant will be taken up by work already underway on the IT system, modelling work and consultancy.

## 5. **OVERALL POSITION**

- 5.1 There are now risks of overspending four service budgets which could be so much as £1.4m as a worse case. There is also an overspend of about £300k as a result of non achievement of corporate savings.
- 5.2 Corporate risk budgets are forecast to be overspent by £235k. This is worse than the £75k overspend reported in Quarter 2 due to the anticipated underspend on members allowances (£100k) and a saving on External Audit fees for the reduced volume of grant work (£50k).
- 5.3 The overall projection is an overspend of £1.9m across a number of service and corporate budgets, reduced by slippage contingency, unused contingencies and budgets clawed back, giving a projected deficit for the year of £1.0m.

<b>C – Implications and Impacts</b>		
<b>1</b>	<b>Finance / Section 151</b>	Comments included in the report
<b>2</b>	<b>Legal / Monitoring Officer</b>	
<b>3</b>	<b>Human Resources</b>	
<b>4</b>	<b>Property Services</b> (see notes – separate document)	
<b>5</b>	<b>Information and Communications Technology (ICT)</b>	
<b>6</b>	<b>Equality</b> (see notes – separate document)	
<b>7</b>	<b>Anti-poverty and Social</b> (see notes – separate document)	
<b>8</b>	<b>Communication</b> (see notes – separate document)	
<b>9</b>	<b>Consultation</b> (see notes – separate document)	
<b>10</b>	<b>Economic</b>	
<b>11</b>	<b>Environmental</b> (see notes – separate document)	
<b>12</b>	<b>Crime and Disorder</b> (see notes – separate document)	

<b>C – Implications and Impacts</b>	
<b>13</b>	<b>Outcome Agreements</b>
<b>CH – Summary</b>	
<p>The projected deficit for the year is up to £1.0m as set out in paragraph 5.</p> <p>Action is being taken to reduce the potential deficit and this will continue to be monitored and brought back to Members on a regular basis.</p>	
<b>D – Recommendation</b>	
<p>To note the report and the improved projections for the year and to confirm the Virements in Appendix Ch.</p>	
<p><b>NAME OF AUTHOR OF REPORT: EINIR WYN THOMAS</b>  <b>JOB TITLE: HEAD OF SERVICE (FINANCE)</b>  <b>DATE: 4 FEBRUARY 2013</b></p>	
<b>Appendices:</b>	
<p>A – Revenue Budget Monitoring 2012-13 – Summary.  B – Revenue Budget Monitoring 2012-13 – Analysis by Services and Expenditure Group – Expenditure against Profile Budget.  C – Revenue Budget Monitoring 2012-13 – Analysis by Services and Expenditure Group – Income against Profile Budget.  Ch – Budget Virements.</p>	
<b>Background papers</b>	



**MONITRO CYLLIDEB REFENIW 2012-13  
REVENUE BUDGET MONITORING 2012-13**

Cyfnod i 31 fed o Ragfyr 2012 / Period to 31st of December 2012

**Crynodeb Gwrthrychol / Objective Summary**

	CYLLIDEB BUDGET 2012-13 £'000	PROFFIL CYLLIDEB PROFILED BUDGET £'000	TALIADAU HYD YMA PAYMENT TO DATE £'000	GWARIANT YN ERBYN CYLLIDEB PROFFIL EXPENDITURE AGAINST PROFILED BUDGET £'000
<b>Dysgu Gydol Oes / Lifelong Learning (Excluding Schools/ Eithrio Ysgolion)</b>				
Ysgolion /Delegated Schools-	36,638	26,336	25,852	-484
Gwasanaeth Addysg/ Education Service	12,157	9,417	10,901	1,483
<b>Dirprwy Prif Weithredwr / Deputy Chief Executive</b>				
Gwasanaeth Cyllid/ Finance Service	672	1,971	2,085	115
Gwasanaeth Technoleg Gwybodaeth a Chyfathrebu/Information Comm Technology Service	286	1,196	1,067	-129
Gwasanaeth Adnoddau Dynol / Human Resources Service	25	565	650	85
Gwasanaeth Archwilio/ Audit Service	1	166	188	22
Gwasanaeth Polisi/ Policy Service	-315	440	712	272
Gwasanaethau Pwyllgorau a Chyfreithiol/ Committee and Legal Services	222	961	984	23
Tim Uwch Reolaeth /Senior Management Team	1,024	765	730	-35
<b>Datblygu Cynaliadwy/ Sustainable Development</b>				
Gwasanaeth Cynllunio a Gwarchod Y Cyhoedd/ Planning & Public Protection Service	3,300	2,341	2,196	-146
Gwasanaethau Rheoli Gwastraff / Waste Management Services	8,469	7,091	6,073	-1,018
Gwasanaeth Eiddo/ Property Service	1,031	1,535	1,133	-402
Gwasanaeth Priffyrdd a Thrafnidiaeth/ Highways and Transportation Service	11,184	8,976	8,827	-149
Gwasanaeth Datblygu Economaidd/ Economic Development Service	1,448	772	1,428	656
<b>Cymuned/ Community</b>				
Gwasanaeth Tai/ Housing Service	927	1,888	3,679	1,791
Gwasanaethau Cymdeithasol/ Social Services	22,792	17,719	18,187	468
Gwasanaethau Gofal Mŷn/ Mŷn Care Services	3,510	1,371	1,720	349
Gwasanaeth Hamdden / Leisure Service	1,980	1,305	1,263	-41
Gwasanaeth Diwylliant/ Culture Service	2,111	1,269	1,279	10
<b>Cyllidebau sy'n Risg Corfforaethol/ Budgets treated as Corporate Risks</b>				
All Sirol Addysg/ Out of County Education	1,028	544	496	-48
All Sirol Gwasanaethau Cymdeithasol/ Out of County Social Services	1,559	1,069	871	-198
Budd-daliadau/ Benefits	28	-43	-18	25
Digartrefedd/ Homelessness	307	115	453	338
Costau Corfforaethol a Democritaidd / Corporate and Democratic Costs	5,059	2,281	1,808	-473
Cynnal a chadw Adeiliadau /Building Maintenance	25	0	43	43
	<b>115,468</b>	<b>90,050</b>	<b>92,606</b>	<b>2,556</b>
<b>YCHWANEGU / ADD</b>				
<b>Cyllido Cyfalaf a Llog / Capital Financing and Interest</b>	-46			
<b>Rhyddhad Dewisol o'r Dreth /Discretionary Rate Relief</b>	35			
<b>Cronfeydd Wrth Gefn / Contingencies</b>	1,935			
<b>Cytundeb Canlyniad / Outcome Agreement</b>	-412			
<b>Ardollau / Levies</b>	3,223			
<b>Arbedion Corfforaethol / Corporate savings</b>	0			
<b>Cyfraniad o falansau / Contribution from balances</b>	-1,200			
<b>Trosglwyddiadau o falansau / Transfers from balances</b>	31			
	<b>119,034</b>			

## REVENUE BUDGET MONITORING 2012-13

Period to 31st December 2012

Analysis by Service and Expenditure Group - Expenditure and Income against Profile Budget

DEPARTMENT	SERVICE	Employees £'000	Premises £'000	Transport £'000	Supplies & Services £'000	Third Party Payments £'000	Transfer Payments £'000	Recharges & Support Costs £'000	Sub Total £'000	
Lifelong Learning	Education Service - Delegated Schools Budget	1715	-1118	-20	-1235	952	0	821	1125	
	Education Service - Schools Exceptions	1033	-127	178	-806	73	-10	0	339	
	Education Service - Further Education	6	0	0	-1	0	0	0	5	
	Education Service - Management & Support	-115	2	-5	16	1	0	-162	-261	
	School Effectiveness Grant	670	0	0	515	0	0	0	1185	
	Cymorth	191	4	4	-52	68	0	0	215	
	Youth & Community	26	-16	-10	-26	0	0	0	-26	
	<b>Total Lifelong Learning</b>	<b>3528</b>	<b>-1255</b>	<b>145</b>	<b>-1559</b>	<b>1104</b>	<b>-10</b>	<b>659</b>	<b>2582</b>	
Deputy Chief Executive	Finance Service - Finance	-175	-1	-2	235	0	0	0	57	
	Finance Service - Revenues & Benefits	-34	5	-2	53	0	0	0	22	
	Information Communication Tech Service	-134	9	-4	17	0	0	0	-112	
	Policy Service	56	1	-1	213	0	0	0	269	
	Audit Service	-41	0	0	63	0	0	0	22	
	Human Resources	-71	-11	-6	174	0	0	0	86	
	Committee and Legal Services	17	1	0	-26	0	0	0	-8	
	Senior Management Team	-38	1	1	1	0	0	0	-35	
		<b>Total Deputy Chief Executive</b>	<b>-420</b>	<b>5</b>	<b>-14</b>	<b>730</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>301</b>
Sustainable Development	Planning Service - Administration	-13	0	1	-13	0	0	0	-25	
	Planning Service - Planning Control	18	0	-4	28	0	0	0	42	
	Planning Service - Building Control	5	1	2	-32	0	0	0	-24	
	Planning Service - Other	-180	3	-8	170	0	0	0	-15	
	Public Protection Services - Administration	0	0	0	-4	0	0	0	-4	
	Public Protection Services - Environmental Services	3	0	-16	-24	0	0	0	-37	
	Public Protection Services - Trading Standards	-6	0	5	16	0	0	0	15	
	Public Protection Services - Markets	-6	-1	0	4	0	0	0	-3	
	Public Protection Services - Registrars	-1	0	1	2	0	0	0	2	
	Property Service - Administration	-135	0	-9	-17	-1	0	0	-162	
	Property Service - Admin Buildings	18	-11	0	12	0	0	0	19	
	Property Service - Sundry Properties	0	-34	0	12	0	0	0	-22	
	Property Service - Maritime	-20	-10	-8	-107	0	0	0	-143	
	Property Service - Industrial Estates	0	-47	0	-6	0	0	0	-53	
	Property Service - Smallholdings	0	93	0	12	0	0	0	105	
	Property Service - Cleaning Contract	-38	-10	1	-35	0	0	0	-82	
	Highways and Transportation Service - Administration	-3	3	0	-4	0	0	0	-4	
	Highways and Transportation Service - Transport	23	14	-2	28	64	-50	0	77	
	Highways and Transportation Service - Works Admin	-98	-2	-16	7	0	0	0	-108	
	Highways and Transportation Service - Structures	0	0	0	56	0	0	0	56	
	Highways and Transportation Service - Public Rights of Way	-10	0	1	57	0	0	34	82	
	Highways and Transportation Service - Traffic, Road Safety & Parking	-23	5	1	-91	0	0	0	-108	
	Highways and Transportation Service - Maintenance	0	-2	0	-191	0	0	0	-193	
	Highways and Transportation Service - Lighting	0	0	0	-139	0	0	0	-139	
	Highways and Transportation Service - Rechargeable Works	94	6	169	9	0	0	0	278	
	Highways and Transportation Service - Fleet Management	0	4	0	336	0	0	12	352	
	Waste Management Services - Cleansing Services	0	0	0	-15	0	0	0	-14	
	Waste Management Services - Waste Collection & Disposal	-98	28	19	-918	141	0	79	-749	
	Waste Management Services - Public Conveniences	0	20	0	-3	5	0	0	22	
	Economic Development Service	0	0	0	0	0	0	0	0	
		<b>Total Sustainable Development</b>	<b>230</b>	<b>82</b>	<b>149</b>	<b>-588</b>	<b>209</b>	<b>-51</b>	<b>137</b>	<b>158</b>
	Community	Housing Service	110	-19	6	2796	937	0	-323	3507
		Social Services - Management and Support	0	0	0	0	0	0	0	0
Social Services - Service Strategy		-24	0	3	-12	0	0	0	-33	
Social Services - Children & Families		6	0	0	10	0	0	0	16	
Social Services - Elderly Services		-100	-4	-36	241	330	0	0	431	
Social Services - Adults under 65 Physical Disability		4	0	2	-16	348	0	0	338	
Social Services - Learning Disabilities		-22	0	-8	5	-41	0	0	-66	
Social Services - Mental Health Needs		15	0	-7	-1	-208	0	0	-199	
Social Services - Other Services		35	1	-15	0	150	0	0	171	
Social Services - Supported Employment		0	0	0	0	0	0	0	0	
Món Care Services		0	0	0	0	1	0	0	1	
Món Care Services		243	-69	-257	300	165	0	0	382	
Leisure & Heritage - Administration		3	6	1	-3	0	0	0	7	
Leisure & Heritage - Libraries		-31	-1	-6	-5	0	0	0	-43	
Leisure & Heritage - Culture & Heritage		28	19	-1	-19	0	0	0	27	
Leisure & Heritage - Adult Education		1	0	0	-7	0	0	0	-6	
Leisure & Heritage - Administration		2	5	1	-3	0	0	0	5	
Leisure & Heritage - Recreation & Sport	17	51	6	-21	0	0	0	53		
	<b>Total for Community</b>	<b>287</b>	<b>-11</b>	<b>-311</b>	<b>3265</b>	<b>1684</b>	<b>0</b>	<b>-323</b>	<b>4591</b>	
Budgets treated as Corporate Risks	Out of County Education	0	0	0	0	84	0	0	84	
	Out of County Social Services	0	0	1	0	-204	0	0	-203	
	Benefits	0	0	0	0	0	-13	0	-13	
	Homelessness	-19	24	0	11	0	305	0	340	
	Corporate and Democratic Costs	-19	-63	-11	-312	-6	0	0	-411	
	Building Maintenance DSO	971	58	49	1900	0	0	0	2978	
	<b>TOTAL PER GROUP</b>	<b>4577</b>	<b>-1180</b>	<b>8</b>	<b>3407</b>	<b>2551</b>	<b>231</b>	<b>473</b>	<b>10357</b>	

## REVENUE BUDGET MONITORING 2012-13

Period to 31st December 2012

Analysis by Service and Expenditure Group - Expenditure and Income against Profile Budget

DEPARTMENT	SERVICE	Fees & Charges £'000	Grants £'000	Other Income £'000	Sub total £'000	Grand Total £'000	
Lifelong Learning	Education Service - Delegated Schools Budget	-24	0	-1585	-1609	-484	
	Education Service - Schools Exceptions	134	-35	-47	51	390	
	Education Service - Further Education	-3	0	0	-3	2	
	Education Service - Management & Support	9	0	5	14	-247	
	School Effectiveness Grant	0	0	0	0	1185	
	Cymorth Youth & Community	0 1	-22 0	-7 -8	-28 -7	186 -33	
	<b>Total Lifelong Learning</b>		<b>117</b>	<b>-68</b>	<b>-1842</b>	<b>-1583</b>	<b>999</b>
Deputy Chief Executive	Finance Service - Finance	3	0	40	43	100	
	Finance Service - Revenues & Benefits	-5	-3	1	-7	15	
	Information Communication Tech Service	-27	0	10	-17	-129	
	Policy Service	3	0	0	3	272	
	Audit Service	0	0	0	0	22	
	Human Resources	-2	0	1	-1	85	
	Committee and Legal Services	-8	0	40	31	23	
	Senior Management Team	0	0	0	0	-35	
<b>Total Deputy Chief Executive</b>		<b>-37</b>	<b>-3</b>	<b>92</b>	<b>62</b>	<b>353</b>	
Sustainable Development	Planning Service - Administration	0	-12	0	-12	-37	
	Planning Service - Planning Control	-145	0	5	-140	-98	
	Planning Service - Building Control	41	0	-23	18	-6	
	Planning Service - Other	22	-3	2	21	6	
	Public Protection Services - Administration	0	0	0	0	-4	
	Public Protection Services - Environmental Services	-1	0	24	23	-14	
	Public Protection Services - Trading Standards	1	0	-14	-13	2	
	Public Protection Services - Markets	14	0	0	14	11	
	Public Protection Services - Registrars	-8	0	0	-8	-6	
	Property Service - Administration	0	0	0	0	-162	
	Property Service - Admin Buildings	-34	0	-3	-37	-16	
	Property Service - Sundry Properties	-2	0	0	-2	-24	
	Property Service - Maritime	58	6	-1	63	-60	
	Property Service - Industrial Estates	-47	0	1	-46	-99	
	Property Service - Smallholdings	-10	0	0	-10	85	
	Property Service - Cleaning Contract	0	0	-33	-33	-115	
	Highways and Transportation Service - Administration	-28	0	-78	-104	-108	
	Highways and Transportation Service - Transport	2	0	-47	-45	32	
	Highways and Transportation Service - Works Admin	78	0	-11	65	-44	
	Highways and Transportation Service - Structures	0	0	0	0	58	
	Highways and Transportation Service - Public Rights of Way	0	0	52	52	134	
	Highways and Transportation Service - Traffic, Road Safety & Parking	33	0	-1	32	-78	
	Highways and Transportation Service - Maintenance	0	0	0	0	-193	
	Highways and Transportation Service - Lighting	0	0	0	0	-139	
	Highways and Transportation Service - Fleet Management	0	0	-1	-1	277	
	Highways and Transportation Service - Rechargeable Works	0	0	-440	-440	-66	
	Waste Management Services - Cleansing Services	0	0	0	0	-14	
	Waste Management Services - Waste Collection & Disposal	-140	-2	-135	-277	-1028	
	Waste Management Services - Public Conveniences	0	0	0	0	22	
	Economic Development Service	41	51	-432	-340	654	
	<b>Total Sustainable Development</b>		<b>-127</b>	<b>40</b>	<b>-1133</b>	<b>-1220</b>	<b>-1062</b>
	Community	Housing Service	2	635	-2352	-1715	1792
		Social Services - Management and Support	-1	0	0	-1	-34
Social Services - Service Strategy		0	0	0	0	18	
Social Services - Children & Families		0	-51	-74	-125	306	
Social Services - Elderly Services		-9	0	91	82	420	
Social Services - Adults under 65 Physical Disability		-10	0	-187	-197	-283	
Social Services - Learning Disabilities		4	0	18	20	-179	
Social Services - Mental Health Needs		11	0	20	31	202	
Social Services - Other Services		0	0	0	0	0	
Social Services - Supported Employment		0	0	0	0	1	
M&C Care Services		71	-21	-83	-33	349	
Leisure & Heritage - Administration		0	0	-3	-3	4	
Leisure & Heritage - Libraries		2	-1	3	4	-39	
Leisure & Heritage - Culture & Heritage		39	-6	-6	25	52	
Leisure & Heritage - Adult Education		0	0	2	2	-4	
Leisure & Heritage - Recreation & Sport		0	0	-2	-2	3	
Leisure & Heritage - Heritage		-70	-33	3	-100	-47	
<b>Total for Community</b>		<b>39</b>	<b>623</b>	<b>-2574</b>	<b>-2012</b>	<b>2579</b>	
Budgets treated as Corporate Risks	Out of County Education	0	0	-112	-112	-48	
	Out of County Social Services	0	0	5	5	-198	
	Benefits	0	-5	43	38	25	
	Homelessness	0	0	-2	-2	338	
	Corporate and Democratic Costs	-16	0	-46	-62	-473	
	Building Maintenance DSO	-1	0	-2934	-2935	43	
<b>TOTAL PER GROUP</b>		<b>-25</b>	<b>497</b>	<b>-8303</b>	<b>-7631</b>	<b>2556</b>	

Appendix CH

Budget Virements - Third Quarter 2012/13										
Service	Description	Cost Centre	Subjective Group	One-off Movements		Permanent Movements				
				DR	CR	DR	CR			
				£	£	£	£			
CONTINGENCY BM7141	Non-Education redundancy costs to date from Severance Contingency	Various	employees	319,220	319,220					
CONTINGENCY BM7142	Contract Contingency transfer to service area following contract retendering as per growth bids	Public Convenience - Street Lighting - Septic Tanks	supplies and services	103,650	103,650					
CONTINGENCY BM7143 & 7167	Non- Education additional pressures from Slippage Contingency for delayed severances	Various	employees	89,620	89,620					
CONTINGENCY BM7144	Remove 2012-13 growth bid for new legislation from service into Contingency	Street Sweeping	supplies & services	190,000	190,000					
CONTINGENCY BM7145	Non- Education severance costs from Severance Contingency	Corporate and Democratic	employees	149,670	149,670					
CONTINGENCY BM7146	Education redundancy costs from Severance Contingency	Education	employees	199,930	199,930					
CONTINGENCY BM7147	Transfer from General Contingency to fund Mineral & Waste shared service costs as per initial budget setting allocation	Planning Control	supplies & services	25,610	25,610					
CONTINGENCY BM7160	Contract Contingency Fees & Charges in Private Nursing Homes - revision in fees	Private Nursing Homes	supplies & services	68,000	68,000					
CONTINGENCY BM7169	Increase in 2012-13 NI rates not reflected in original budget as agreed by County Council in March 2012	Various	employees	110,000	110,000					



Appendix CH

Budget Virements - Third Quarter 2012/13							
Service	Description	Cost Centre	Subjective Group	One-off Movements		Permanent Movements	
				DR £	CR £	DR £	CR £
Economic Development BM7131	Transfer budget from Reserves regarding grants and donations Energy Island	Energy Island	Income	54,160	54,160		
Economic Development BM7133	Transfer of budget for Energy Island	Energy Island - European Projects	various			62,590	62,590
Highways & Transportation BM7155	Staffing costs to be recharged to Horizon	Holyhead Transport Strategy	employees	82,200	82,200		

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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>REPORT TO:</b>	<b>THE EXECUTIVE COMMITTEE</b>
<b>DATE:</b>	<b>18 FEBRUARY 2013</b>
<b>SUBJECT:</b>	<b>BUDGET MONITORING REPORT THIRD QUARTER 2012-13 - CAPITAL</b>
<b>PORTFOLIO HOLDER:</b>	<b>COUNCILLOR JOHN CHORLTON</b>
<b>LEAD OFFICER:</b>	<b>EINIR WYN THOMAS</b>
<b>CONTACT OFFICER:</b>	<b>EINIR WYN THOMAS</b> <span style="float: right;"><b>(TEL: 2605)</b></span>
<b>Nature and reason for reporting</b>	
To enable the Executive to be responsible for monitoring of budgets at a corporate level.	

**A - Introduction / Background / Issues**

**1. BACKGROUND**

- 1.1** This is the capital budget monitoring report for the third quarter of the financial year. Appendix A is a summary of expenditure against the budget up to the end of December.
- 1.2** During the last two years, several major programmes were under review, including the residential homes programme and the leisure centre rationalisation programme which require a new direction. This has meant that related capital budgets have not been allocated (including a budget of £1.2m earmarked for residential homes).

**2. PROGRESS**

- 2.1** Expenditure to the end of December is £8.7m on general schemes, which equates to 45% of the total budget. This is on a par with the same time last year (£6.7m, 44%). This is because a number of larger schemes this year, as with last year, are weighted towards the year end. This year, for example, the relocation of Ysgol y Bont and the Penhesgyn Civic Amenities site enhancements and the Three Towns (Convergence) project are weighted towards the end of the year. Additionally, two large grant funded schemes have recently commenced (the Sustainable Travel Centre Initiative grant and the Streetscape Works grant). Last year a number of larger schemes, such as the Three Towns (Convergence) project, the Affordable Housing loan scheme and the preliminary works on the relocation of Ysgol y Bont were weighted towards the year end.
- 2.2** Expenditure to the end of September on housing schemes is £7.5m, which is 63% of the total budget. This is at a similar level as for this period last year (£6.4m, 56%). This is mainly due to the HRA works progressing at the same rate as last year. The WHQS works are now complete and slippage is anticipated on the planned maintenance and fuel switching works.
- 2.3** Total expenditure to the end of September is 52% of the budget. This is due to the two thirds of the capital programme being on non-housing schemes, containing large schemes weighted towards the year end.

- 2.4** These reports normally focus on grant aided schemes and other projects where there can be considerable risk if projects slip or over-run the budget. As previously reported, the number of grant aided projects has reduced following cuts in Welsh Government budgets although there are some large European Grant aided projects underway. There are also currently five Welsh Government aided projects underway, one of which is the relocation of Ysgol y Bont.
- 2.5** The budget for Ysgol y Bont is £6.2m for 2012-13 out of a total approved project budget of £10.9m. It has previously been reported that it was anticipated that expenditure on the scheme would amount to £5.0m by the year end. Due to delays suffered during the inclement weather, the construction works are currently six weeks behind programme. The project is expected to catch up during the next year and be completed as scheduled, in late summer 2013. There is a risk t this year's grant funding but officers are currently working to ensure that this risk is minimised.
- 2.6** Additionally, it has been reported previously that, in light of delayed and reduced capital receipts from the sales of smallholdings, the Property Service is working to revised plans for the remaining period of the smallholdings improvements programme. These revised plans are progressing well but, due to the continuing market situation, income from sales receipts remains depressed from earlier expectations. The Portfolio holders for Property and Finance have now been presented with the options for sales to support the programme. Their decision on the options was called in by the Corporate Scrutiny Committee, and the reaffirmed decision was published in January 2013.

## B - Considerations

### 3. RESOURCES

- 3.1** The Council's bids have already been approved for Convergence funding, both direct and indirect, and the match funding has already been earmarked for these schemes. No further bids are currently possible. There is the possibility that additional funding becomes available; if this was to happen the options would be reviewed.
- 3.2** The budgeted usable capital receipts for this year, after the effect of 2011-12 out-turn and the receipts to date, are as follows:-

	Original Budget £'000	Received to Month 9 £'000
Housing HRA		
<i>Right to Buy Sales</i>	100	70
<i>Land Sales</i>	Nil	Nil
Private Sector Housing		
<i>Sales of plots</i>		
<i>Repaid charges</i>	} 200	133
<i>Repaid grants</i>		
Other:		
<i>Smallholdings</i>	[250]	389*
<i>General</i>		
<i>Industrial</i>	} 800	363

\* *Smallholdings income against indicative budget.*

*The shortfall in last year's capital receipts is not reflected above. The effect of that is being received as part of the asset rationalisation plans.*

*The Authority's funding in the year for the relocation of Ysgol y Bont is derived from the anticipated capital receipts from the future sale of the Ysgol y Graig site.*

At this stage, it is anticipated that further general and industrial capital receipts will amount to between £100k and £200k. Receipts could, therefore, fall short of the budgeted level. This is due to current market conditions, with the timing and level of receipts becoming less favourable than initially anticipated.

#### **4. CHANGES AND POTENTIAL CHANGES THIS YEAR**

**4.1** There are no changes or potential changes that have come to light, other than those reported in the previous quarters.

**4.2** Unallocated contingencies are as follows:-

	<b>B/fwd 2011-12 £'000</b>	<b>Budget 2012-13 £'000</b>	<b>Allocated 2012-13 £'000</b>	<b>Total Available 2012-13 £'000</b>
Match funding/ Regeneration	848	Nil	113	735
Leisure Improvements Reserve	195	Nil	Nil	195
Unsupported borrowing contingency	Nil	1,000	Nil	1,000
Unallocated contingency (residential homes)	1,202	Nil	Nil	1,202
Unallocated	1,000	800	Nil	1,800
Feasibility Studies	460	100	30	530

The revenue based unallocated budgets are clawed back.

#### **5. FINANCIAL RISK**

**5.1** The main financial risks for the current year are the risks relating to the larger European Funded projects. Looking to the future there are risks relating to the delivery of the 21<sup>st</sup> Century Schools programme.

**5.1.1** The Coastal Project and the Three Towns Programme include complicated construction projects with compliance issues and potential for over-runs. These two projects are being managed with project management techniques overseen by the Director of Sustainable Development.

**5.1.2** It has previously been reported that officers have commenced a process of options appraisal with regard to the Council's asset rationalisation programme. Work is in progress with Local Partnerships to review a range of proposals aligned with the transformation of services, delivery options and associated asset requirements. A report will be presented to the Executive for decisions in due course when the options appraisal work has been concluded.

**5.1.3** It has previously been reported that the 21<sup>st</sup> Century Schools Band A scheme (new primary school in Holyhead) was progressing, with Strategic Outline Case (SOC) due for submission by the year end. During the quarter, the Education Department presented a report to this committee, entitled 'Modernising Primary Schools on Anglesey - Holyhead and Central Anglesey'. Following the report, this committee made a number of resolutions, including the formal consultation option for primary school closures relating to this project, the location of the new school and that prior to going out to consultation, a report is presented to the Executive Committee covering a number of matters, including land ownership, road safety and affordability. The SOC is therefore on hold for the time being.

<b>C - Implications and Impacts</b>		
<b>1</b>	<b>Finance / Section 151</b>	Comments included in the report
<b>2</b>	<b>Legal / Monitoring Officer</b>	
<b>3</b>	<b>Human Resources</b>	
<b>4</b>	<b>Property Services</b> (see notes – separate document)	
<b>5</b>	<b>Information and Communications Technology (ICT)</b>	
<b>6</b>	<b>Equality</b> (see notes – separate document)	
<b>7</b>	<b>Anti-poverty and Social</b> (see notes – separate document)	
<b>8</b>	<b>Communication</b> (see notes – separate document)	
<b>9</b>	<b>Consultation</b> (see notes – separate document)	
<b>10</b>	<b>Economic</b>	
<b>11</b>	<b>Environmental</b> (see notes – separate document)	
<b>12</b>	<b>Crime and Disorder</b> (see notes – separate document)	
<b>13</b>	<b>Outcome Agreements</b>	

<b>CH - Summary</b>
<p>The expenditure on general schemes to the end of December was £8.7m (45% of total budget). Housing schemes incurred expenditure of £7.5 (63% of total budget) to December. The overall expenditure was 52% of total budget, as many of the larger schemes, such as the relocation of Ysgol y Bont, are weighted more towards the end of the year.</p> <p>Total capital receipts to the end of December were £0.6m (excluding ring fenced small holdings receipts). General and industrial capital receipts are expected to reach £0.5 to £0.6m by year end. Smallholdings capital receipts, which are ring fenced for the smallholdings improvement programme, are expected to be £2m behind expenditure by year end, but to catch up in the following year.</p> <p>In light of the current revenue budget position and projected outturn, it may be necessary to scale back the potential use of the unallocated contingencies.</p> <p>The main financial risks relate to the Convergence Schemes, which are being overseen by the Director of Sustainable Development, and the delivery of the 21<sup>st</sup> Century Schools programme, which is running concurrently with the asset rationalisation programme. Work is in progress with Local Partnerships to review a range of proposals aligned with the transformation of services, delivery options and associated asset requirements. A report will be presented to the Executive for decisions in due course when the options appraisal work has been concluded. It has previously been reported that the he 21<sup>st</sup> Century Schools Band A scheme (new primary school in Holyhead) was progressing, with Strategic Outline Case (SOC) due for submission by the year end. During the quarter, the Executive Committee resolved to investigate a number of areas surrounding this project and the SOC is, therefore, on hold for the time being</p>

**D - Recommendation**

To note progress of expenditure and receipts against the capital budget.

**Name of author of report:** Einir Wyn Thomas

**Job Title:** Head of Service (Finance)

**Date:** 6 February 2013

**Appendices:**

Appendix A: Capital Budget 2012-13 – Summary: December 2012

**Background papers**

None

## Capital Budget 2012-13 : December 2012

Projects	Budget 2012-13 £'000	Slippage 2011-12 £'000	Total £'000	Expenditure		Comments
				£'000	%	
<b>Housing</b>	<b>11,040</b>	<b>912</b>	<b>11,952</b>	<b>7,531</b>	<b>63</b>	
Council Houses						Works are generally proceeding as anticipated. As scheduled, the WHQS programme was completed during December. Utility infrastructure work in connection with fuel switching has commenced at 3 locations. A further major project is due to commence during April 2013 and there will be significant carried forward commitment to 2013-14. Slippage is also anticipated on the planned maintenance work. Forecast expenditure for the year is in the region of £8.0m for the total HRA programme.
Private - Grants	9,800	0	9,800	6,728	69	The new housing grants policy was adopted during the quarter and expenditure and commitments on grants/loans is slightly lower than anticipated. Year end slippage is expected to be on par with last year.
Affordable Housing	1,200	458	1,658	600	36	
	40	454	494	203	41	
<b>Education</b>	<b>7,456</b>	<b>1,008</b>	<b>8,464</b>	<b>3,604</b>	<b>43</b>	
Ysgol y Bont - Relocation	6,110	93	6,203	2,581	42	There have been some delays in the programme of works which will result in slippage at the year end. It is, however, expected that the project will catch up in the coming months and will be completed on schedule. Expenditure by the year end is expected to be in the region of £4 - £4.5m. Officers are in contact with WG to ensure that there are no risks to the grant funding.
Education : Other	1,346	915	2,261	1,023	45	These are minor schemes totalling £1.4m and a contingency of £0.9m towards 21st Century Schools costs. The minor schemes are expected to be complete by year end.
<b>Regeneration</b>	<b>7,390</b>	<b>-361</b>	<b>7,030</b>	<b>3,360</b>	<b>48</b>	
Econ Development: Strategic Infrastructure - Sites and Premises	150	0	150	0	0	As previously reported, a project officer has been appointed and the master plan is currently being developed.
Econ Development : Other	545	721	1,265	209	16	The significant part of the slippage relates to capital feasibility studies and partnership funding. Activity in these areas is gaining momentum and the majority of these balances are committed.
Property : Coastal Environment	502	0	502	432	86	All construction work is complete. Final account negotiations for the Beaumaris Pier project are continuing.
Property: Smallholdings Programme of Improvements	535	-1,081	-546	658	-121	The revisions to the programme of works as reported in quarter 2 are progressing well but, due to the continuing market situation, income from sales receipts remains depressed from earlier expectations with the result that the projected deficit for the financial year is now likely to be confirmed in due course. At the time of drafting this report, a decision is awaited regarding alternative proposals with regard to sales of a number of specific holdings in support of the overall improvement programme and these are expected to contribute to the income profile during 2013/14.
Waste Management: Civic Amenities Site - Penhesgyn	1,000	0	1,000	230	23	Works commenced on site this September. The project was programmed for completion by year end. Due to factors, including the weather, the project is now expected to be completed this April. The anticipated final cost is £150k over the initial budget.
Physical Regeneration (3 Towns)	1,601	0	1,601	739	46	The vast majority of the works this year relate to the Holyhead Town Heritage scheme, some grant schemes have now been approved.
Highways: Local Government Borrowing Initiative 2012/13	1,700	0	1,700	866	51	Works are significantly underway. It is expected that all the objectives will be achieved by year end.
Highways: Sustainable Travel Centre Initiative Grant 2012/13	480	0	480	25	5	The Park and Ride scheme (Llanfairpwll) and the Lôn Las Cefni improvements are proceeding as anticipated and the schemes will be completed by year end.
Highways: Streetscape and Environmental Works Grant 2012/13	585	0	585	13	2	All projects have either been completed or are on site and on programme to complete by year end.
Highways : Safe Routes in Communities Grant 2012-13	293	0	293	208	71	Works are now significantly complete and will be fully complete before year end.
<b>Other</b>	<b>2,886</b>	<b>809</b>	<b>3,695</b>	<b>1,674</b>	<b>45</b>	
Leisure: Heat Recovery Units	217	117	334	332	99	The project is now complete.
Highways : Other	900	59	959	546	57	The balance mainly relates to carriageway resurfacing, works on structures and vehicles. Expenditure on these is proceeding as anticipated and slippage is expected to be minimal.
Property: Other	653	576	1,229	531	43	Works are proceeding as anticipated.
Other Departmental Schemes	1,116	57	1,173	265	23	
<b>Total</b>	<b>28,772</b>	<b>2,369</b>	<b>31,141</b>	<b>16,118</b>	<b>52</b>	



<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to</b>	<b>Meeting of the Executive</b>
<b>Date</b>	<b>18<sup>th</sup> February, 2013</b>
<b>Subject</b>	<b>Consultation on budget proposals 2013-14</b>
<b>Portfolio Holder(s)</b>	<b>John Chorlton</b>
<b>Lead Officer(s)</b>	<b>Richard Parry Jones</b>
<b>Contact Officer</b>	<b>Huw Jones 2108</b>
<b>Nature and reason for reporting</b>	
<p><b>This paper provides feedback with regards to the consultation exercise (which ended on the 4<sup>th</sup> February 2013) on budget proposals and summarises feedback received.</b></p>	

<b>A – Introduction / Background / Issues</b>
<p><b>1. EXECUTIVE SUMMARY</b></p> <p>This report sets out the detailed findings of the Budget 2013/14 consultation.</p> <p><b>2. APPROACH TO THE CONSULTATION</b></p> <p>The Budget consultation had three strands:</p> <ul style="list-style-type: none"> <li>• Consultation on the Council’s key priorities and areas for improvement</li> <li>• Consultation on the Council’s financial strategy for the next three years</li> <li>• Budget proposals for 2013/14</li> </ul> <p>Initial consultation on the budget began back in August 2012 at the Anglesey Show when the public were asked to fill in a questionnaire regarding their key priorities over the next three years where they had £120 to spend and 26 priorities to choose from. The feedback from this exercise fed into the budget planning process.</p>

On December 2 2012, a report on the updated Budget Strategy and Initial Draft Revenue Budget 2013/14 was considered by the Executive.

On January 7 2013, the Executive resolved to approve the Initial 2013-14 Budget Proposals for formal consultation and to delegate to the Head of Function (Resources) in consultation with the Portfolio Holder for Resources, the authority to finalise the budget consultation document.

The Budget consultation consisted of a consultation document which was available online, by email or by post and face to face engagement with key stakeholders details of which are provided below.

In terms of promoting the Budget Consultation, the following actions were taken:

- Two press release issued to media contacts (press coverage/interviews achieved)
- Note to all council staff & reminder
- Messages on Council Facebook page
- Regular tweets from Council Twitter account
- Front page article on Anglesey Council website & splash page for period of consultation
- Item in Economic Development Spring Newsletter to business database

The budget consultation received widespread coverage in the local newspapers and other media.

**See Appendix 1 for examples.**

The consultation document was also displayed in the following locations:

- Council building's main reception (at main doors)
- Elected Members' lounge
- Public libraries
- Leisure centres

Face to face engagement took place with:

- The Destination Anglesey Partnership Board (24/1/2013)
- Anglesey Tourism Association
- Voluntary Sector Liaison Committee (22/1/2013)
- Town and Community Councils (29/1/2013)

- Schools Forum (4/2/2013)
- The Democratic Services Committee (4/2/2013)
- Anglesey Regeneration Partnership (7/2/2013)

**Feedback from these sessions can be found in Appendix 3.**

A separate report on the Budget 2013/14 will be submitted by the Scrutiny Committees.

Views were sought on the entire improvement/budget package, but we asked stakeholders for particular feedback on:

- Increasing the social services budget so as to avoid major cuts to current activity levels
- Maintaining the leisure budget to allow time for changes to provision
- Prioritising growth in Childrens' Services and the Energy Island Programme
- Further assumptions we should make in medium term financial planning
- Your priorities for the Capital Plan
- The proposed 5% increase in Council tax (86p per week for the average Band D property) to help protect key Council services
- Any other suggestions you may have on efficiency savings or service transformation to achieve the best outcomes for Anglesey residents
- There may be scope for us to work in partnership in some areas to transfer the management of some services (e.g. public conveniences) to partner organisations or local communities. We would welcome your views on proposals of this nature as part of this consultation

### **3. SUMMARY OF KEY FINDINGS**

The Budget Consultation received a total of 34 responses including those from representatives groups therefore due to the small sample size the overall findings should be treated with caution.

A summary of the key findings is Attached as **Appendix 2**. The results will be used to inform the development of next year's Corporate Business Plan and service plans, improvement priorities and final proposals for the Budget 2013/14.

Copies of all responses received are reproduced in **Appendix 3**.

Suggestions from the public for improvements to next year's budget consultation process included:

- a clear breakdown of staff costs

- clear breakdown of growth bids and what the money will be spent on
- data on current performance of service areas
- improve overall level of detail in the document
- need to ensure Town and Community Councils are brought into the decision-making process at the outset

### **B – Considerations**

The Executive are requested to consider the observations received from partners, stakeholders and the general public in response to Budget 2013/14 proposals and the headline messages summarised in this report.

### **C – Implications and Impacts**

<b>1</b>	<b>Finance / Section 151</b>	
<b>2</b>	<b>Legal / Monitoring Officer</b>	
<b>3</b>	<b>Human Resources</b>	
<b>4</b>	<b>Property Services</b> (see Notes – separate document)	
<b>5</b>	<b>Information and Communications TechNo.logy (ICT)</b>	
<b>6</b>	<b>Equality</b> (see Notes – separate document)	
<b>7</b>	<b>Anti-poverty and Social</b> (see Notes – separate document)	
<b>8</b>	<b>Communication</b> (see Notes – separate document)	
<b>9</b>	<b>Consultation</b>	

<b>C – Implications and Impacts</b>		
	(see Notes – separate document)	
<b>10</b>	<b>Economic</b>	
<b>11</b>	<b>Environmental</b> (see Notes – separate document)	
<b>12</b>	<b>Crime and Disorder</b> (see Notes – separate document)	
<b>13</b>	<b>Outcome Agreements</b>	

<b>CH – Summary</b>
Feedback provided on Budget Consultation as detailed above.
<b>D – Recommendation</b>
The Executive to consider responses to the Budget Consultation as part of finalising budget proposals to the Council.

**Name of author of report –**      **Huw Jones**  
**Job Title –**                              **Head of Service - Policy**  
**Date -**                                        **07.02.13**

<b>Appendices:</b>
1 – Promotion of Budget Consultation 2013/14 2 – Responses (Containing appropriate redactions of personal information)

<b>Background papers</b>

## **APPENDIX 1**

### **PROMOTION OF BUDGET CONSULTATION 2013/14**

## 1. DATGANIAD I'R WASG/STAFF

### Ymgynghoriad ar y gyllideb yn dod i ben 4ydd o Chwefror 2013

Bydd Môn yn gofyn barn trigolion ar gynigion y gyllideb wrth i'r awdurdod wynebu'r flwyddyn ariannol anoddaf eto.

Caiff dogfen newydd Ymgynghoriad ar y Gyllideb 2013/14 "Cwrdd â'r Heriau" ei lansio heddiw (Dydd Gwener, Ionawr 11eg).

Mae gan dreth dalwyr nawr dair wythnos i wneud sylwadau ar sut y dylai'r Cyngor Sir flaenoriaethu gwariant yn ogystal â'r cynnig o gynyddu Treth Cyngor o 5%.

Mae'r hinsawdd economaidd sydd ohoni wedi golygu toriadau dwys o ran gwariant cyhoeddus ac mae Ynys Môn yn wynebu bwlch o £3.45m yng nghyllideb 2013-14 a bwlch o £10m dros y tair blynedd i 2015-16.

Eglurodd Arweinydd y Cyngor, y Cynghorydd Bryan Owen, "Bydd hon yn gyllideb hynod o anodd ni, ac oherwydd y trafferthion ariannol sydd yn wynebu llywodraeth leol, fyddwn, yn syml, ddim yn gallu cynnal yr holl wasanaethau yr ydym yn eu darparu."

"Does gennym ddim dewis ond blaenoriaethu gwasanaethau a bydd adborth y cyhoedd, yn ystod y cyfnod ymgynghori holl bwysig yma, yn hanfodol wrth i ni geisio dygymod â chyllideb hynod o anodd tra hefyd yn cefnogi'n blaenoriaethau strategol."

Mae Cwrdd â'r Heriau hefyd yn tanlinellu bwriad y Cyngor i ddarparu mwy o wasanaethau drwy weithio mewn partneriaeth gyda llai o arian yn dod o gyfeiriad Llywodraeth Cymru a phwysau ychwanegol ddaw yn sgil poblogaeth sy'n heneiddio.

Mae'r Cyngor Sir eisiau adborth y cyhoedd ar amryw o feysydd pwysig, gan gynnwys:

- Cynyddu cyllideb gwasanaethau cymdeithasol i osgoi toriadau sylweddol
- Cynnal y gyllideb hamdden i roi amser i newid y ddarpariaeth
- Blaenoriaethu twf mewn gwasanaethau plant a'r Rhaglen Ynys Ynni
- Awgrymiadau all arwain at arbedion effeithlonrwydd neu drawsffurfio gwasanaethau l sicrhau'r canlyniadau gorau l drigolion Môn.

Dywedodd y deilydd portffolio Cyllid, y Cyng John Chorlton, "Mae cwtogi ar wasanaethau yn anffodus yn anorfod, ond rydym yn gweithio'n ddygn er mwyn gwireddu'r rhain mewn ffordd gofalus a phwylllog i leihau'r effaith ar drigolion. Byddai cynnydd o 5% yn y Dreth Cyngor yn golygu 86c ychwanegol yr wythnos ar gyfer eiddo band D ar gyfartaledd."

Ychwanegodd, "Byddai'r cynnydd yma, fodd bynnag, yn rhoi'r cyfle gorau posib i ni ddiogelu'r bobl fwyaf bregus yn y gymuned."

Bydd y ddogfen "Cwrdd â'r Heriau", ynghyd â'r Gyllideb Refeniw Drafft Gychwynnol a phapurau perthnasol eraill ar gael ar ein gwefan [www.ynysmon.gov.uk](http://www.ynysmon.gov.uk) neu cewch wneud cais am gopi caled ar 01248 752602.

Danfônwch eich sylwadau atom drwy e-bost: [ymgynghoriadcyllideb@ynysmon.gov.uk](mailto:ymgynghoriadcyllideb@ynysmon.gov.uk) neu ysgrifennwch at:

Ymgynghoriad ar y Gyllideb 2013/14  
Cyngor Sir Ynys Môn  
Swyddfa'r Sir  
Llangefni  
Ynys Môn LL77 7TW

Daw'r ymgynghoriad i ben ar **Chwefror 4ydd, 2013**. Yn dilyn y broses ymgynghorol, bydd cynigion cyllideb derfynol y Pwyllgor Gwaith yn cael eu cyflwyno i'r Cyngor Llawn ar Fawrth 5ed 2013.

DIWEDD 11.1.12

## 1. MEDIA/STAFF RELEASE – 11/1/2013

### Residents' views could help meet financial challenges

**Anglesey is to ask residents for their views on budget proposals as the authority faces its toughest financial year yet.**

The new 2013/14 Budget Consultation document "Meeting the Challenges" is launched today (Friday, January 11th)

Tax payers now have three weeks to comment on how the County Council should prioritise spending as well as proposals for a 5% Council tax increase.

The current economic climate has meant severe cuts in public sector spending and Anglesey faces a £3.45m budget gap in 2013-14 and a £10m gap over the three years to 2015-16.

Council Leader, Councillor Bryan Owen, explained, "This will be an extremely difficult budget for us, and given the continuing harsh economic climate facing local government, we simply won't be able to sustain all the services we provide."

"We therefore have no choice but to prioritise services and public feedback, through this important consultation process, will be vital as we look to balance a hugely difficult budget whilst also supporting our strategic priorities."

Meeting the Challenges also highlights the Council's aim of delivering more services through partnership working as it faces up to less funding from Welsh Government and the additional pressures of an ageing population.

The County Council wants public feedback on a number of key areas, including:

- Increasing the social services budget to avoid major cuts
- Maintaining the leisure budget to allow time for changes to provision
- Prioritising growth in children's services and Energy Island Programme
- Suggestions to ensure efficiency savings or service transformation to achieve the best outcomes for Anglesey residents

Finance portfolio holder, Cllr John Chorlton said, "Service reductions are unfortunately inevitable, but we're working tirelessly to achieve these in a careful and measured way to minimise the impact on residents. A 5% Council Tax increase would mean an extra 86p a week for an average band D property.

He added, "This increase, however, would provide us with the best possible chance of protecting the most vulnerable in society."

The "Meeting the Challenges" document, together with the Initial Draft Revenue Budget and associated appendices are available on our website [www.anglesey.gov.uk](http://www.anglesey.gov.uk) or you can request hard copies on 01248 752602.

Please email your views to [budgetconsultation@anglesey.gov.uk](mailto:budgetconsultation@anglesey.gov.uk) or write to:

Budget Consultation 2013/14  
Isle of Anglesey County Council  
Council Offices  
Llangefni  
Anglesey LL77 7TW

The consultation will end on **February 4th, 2013**. Following the consultation process, the Executive's final Budget proposals will be presented to the Full Council on March 5th 2013.

ENDS 11.1.13



# GWEFAN Y CYNGOR

The screenshot shows the website for Ynys Môn (Isle of Anglesey) Council. The page title is "Ymgynghoriad: Cwrdd â'r Heriau Cyllideb 2013 - 2014". The article is dated 7 Ionawr 2013 and discusses the council's budget for the 2013-14 financial year. It mentions a 3% increase in council tax and a 5% increase in council fees. The article also lists the council's contact information and social media links.

**Ymgynghoriad: Cwrdd â'r Heriau Cyllideb 2013 - 2014**

Ar 7 Ionawr 2013, cyflunodd Pwyllgor Gweith y Cyngor y ddiad rhyddhau'r Cynigion Cychwynnol ar gyfer Cyllideb 2013-14 ar gyfer ymgynghoriad.

**Ymgynghoriad yn dod i ben: Dydd Llun 4 Chwefror 2013**

**Rwydym eisieu eich barn**

Mae hennau pwytyg o'n blaenau wrth i ni barhau i gynniw gwasanaethau o ansawdd uchel gyda llai o adnoddau. Mae'r rhagolygon yn dangos y bydd angen i'r Cyngor leihau gwasiant o £10m drws y ddiwrnod nesaf, sy'n gyfwrth 3.8%, ac mae cynigion y gyllideb eleni yn cynrychioli balans rhwng defnyddio mesurau unigryw ar rwydym darparu cyllideb deg mewn blwyddyn anodd a'r angen i weithio'n effeithlon a sicrhau gostyngiadau gwneohedol yn y blwyddoedd dydd i ddod.

Mae'r ddiwrnod Cwrdd â'r Heriau Ymgynghoriad ar y Gyllideb 2013-14 (gwelwch y 'Dogfenau Cwllaw' yn isod) yn cynrychioli'r cam nesaf o ran y ymgynghoriad cyhoeddus ar Gyllideb 2013-14. Mae'n gosod y cyfodestun ar gyfer cyllideb eleni, yn eiddoio'r hennau dydd o'n blaenau a'r cynigion eu hunain.

Mae Cyngor Sir Ynys Môn eisieu cywedd eich barn ar y cynigion gwella'ly gyllideb sy'n wnebu'r Cyngor a'r opolynau sy'n cael eu cynniw, er mwyn siarpo'r cynigion be'fymol ar gyfer y gyllideb.

**Gadw'och i ni wnebu'ed eich barn ar:**

- Gynnyddo'r gyllideb gwasanaethau cyndde'basol i osop toriadau sylweddol i lletel bresennol y ddarpariaeth
- Cynnal y gyllideb hamdden ar rwydym rhoi amiar i newidiadau yn y ddarpariaeth

**Dw i eisieu...**

- [Dod o hyd i fy nghynghoriad lleol](#)
- [Cofrestru i bleidlaisio](#)
- [Darllen cofnodion, agenda'u ac adroddiadau](#)
- [Darllen y Datganiad o'r Cynffon](#)
- [Ddiwrnod i'w hysbysu'r ymgynghoriadau dwe'ddaraf](#)
- [Owneud cwm neu ganmoliaeth](#)
- [Owneud cais Rhyddid Owybodaeth](#)

**Cysylltu â'r Uned Botol**

Swyddo'r Prif Wlethredwr  
Cyngor Sir Ynys Môn  
Swyddaledd y Cyngor  
Llangefni  
Ynys Môn  
LL27 7TW  
Ffôn: 01248 752140  
E-bost: [cyfathrebu@ynysmon.gov.uk](mailto:cyfathrebu@ynysmon.gov.uk)

**Dihwedd hi ar Facebook a Twitter**

## 2. WEB TEXT

The screenshot shows a web browser window displaying the Isle of Anglesey Council website. The page title is "Consultation: Meeting the Challenges Budget 2013 - 2014". The browser's address bar shows the URL: www.anglesey.gov.uk/council-and-democracy/consultations/consultation-meeting-the-challenges-budget-2013-2014/119049.arbde. The website has a navigation menu with categories like Home, About & Profiles, Business & Community, Council & Democracy, Education, Health & Care, Housing, Jobs, Leisure, Planning & Waste, and Transport & Roads. The main content area features a breadcrumb trail: "You are here: Home > Council & Democracy > Consultations > Consultation Meeting the Challenges Budget 2013-2014".

### Consultation: Meeting the Challenges Budget 2013 - 2014

On 7 January 2013, the Council's Executive agreed that the Initial Proposals for the 2013-14 Budget should be released for consultation.

**Consultation ends on: Monday 4 February 2013**

**We want your views**

Important challenges lie ahead in continuing to deliver high quality services with diminishing resources. Forecasts show that the Council will need to reduce spending by £10m over the next three years, the equivalent of 8%, and this year's budget proposals represent a balance between using one-off measures to assist in delivering a fair budget for a very difficult year and the need to achieve sustainable efficiencies and real reductions for future years.

The **Meeting the Challenges: Budget Consultation 2013-14** document (see the download below) represents the next step in the Council's public consultation on the 2013-2014 Budget. It sets out the context for this year's budget, explains the challenges ahead and the **budget proposals** themselves.

The Isle of Anglesey County Council wants to hear your views on the entire improvement/budget proposals facing the Council and the range of options offered, in order to shape the final budget proposals.

**Let us know your views on:**

- Increasing the social services budget to avoid major cuts to current activity levels
- Maintaining the leisure budget to allow time for changes to provision
- Prioritising growth in children's services and the Energy Island Programme
- Further assumptions we should make in medium term financial planning
- Your priorities for the Capital Plan
- Any other suggestions you may have on efficiency savings or service transformation to achieve the best outcome for Anglesey residents

**I want to...**

- [Find my local councillor](#)
- [Find the latest consultations](#)
- [Make a compliment or complaint](#)
- [Make a Freedom of Information request](#)
- [Read the council agendas, minutes and reports](#)
- [Read the Statement of Accounts](#)
- [Register to vote](#)

**Contact the Policy Unit**

Chief Executive's Office  
Isle of Anglesey County Council  
Council Offices  
Llangefni  
Anglesey  
LL77 7TW  
Tel: 01248 752140  
Email: [communications@anglesey.gov.uk](mailto:communications@anglesey.gov.uk)

**Follow us on Facebook and Twitter**

- [Isle of Anglesey County Council Facebook Page](#)
- [Isle of Anglesey County Council Twitter](#)

1. FACEBOOK/TWITTER – ESAMP LAU O GODI YMWYBYDIAETH


The screenshot shows the Facebook profile page for 'Cyngor Sir Ynys Môn'. The page header includes the profile picture, name, and location 'Swordfish St, Llangefni, LL77 7TW, United Kingdom'. The main content area displays several posts:

- Post 1 (15 January 2013):** A link to a news article titled 'Llywodraeth Cymru | Lansio cynulliau cymell newydd ar grŵp ardrechti busnes' from wales.gov.uk. The text mentions a meeting on 14th January to discuss business development grants.
- Post 2 (11 January 2013):** A link to an article titled 'Gall barn trigolion helpu i gwerdd â beiriau arfannol | Ynys Môn' from www.ynysmon.gov.uk. The text discusses how local residents can help with winter maintenance using snowblowers.
- Post 3 (12 January 2013):** A text post stating 'Grtio llywodraeth blaenorfaeth un am 3.00pm a 12.00am (13/1). Tymheredd ffyrdd ddydd o ddisgyn dan 1°C. Cymrwch ofal os yn gffru.'

Navigation and utility elements are visible at the top and bottom of the page, including search bars, status updates, and a 'Create Page' button.

3. FACEBOOK/TWITTER – EXAMPLES OF SOCIAL MEDIA ENGAGEMENT

The screenshot shows the Facebook page for the Isle of Anglesey County Council. The page header includes the council's name and navigation links. A post from January 11, 2012, is highlighted, titled "Residents' views could help meet financial challenges | Isle of Anglesey". The post features a video thumbnail and text explaining that the council is asking residents for their views on budget proposals for the upcoming financial year. The post has received 947 views, 1 like, and 1 comment. Below the post, there are sections for "Admin Panel" and "Now" (December 2012), which lists a "Joined Facebook" event. At the bottom, there is a "See Your Ad Here" section with a "Promote This Story" button.



---

Retweeted by **Cyngor Sir Ynys Môn**  
Expand

**North Wales Fire** @NorthWalesFire  
 Cadoch yn ddiogel rhag tân yn ystod y tywydd oer fb.me/1SekGmZjH  
 Retweeted by **Cyngor Sir Ynys Môn**  
Expand

**Cyngor Sir Ynys Môn** @cyngormon  
 Grŵp llwybrau blaenoriaeth un am 10.00pm. Tymheredd fyrrad debyg o ddisgyn dan 1°C. Cymrwch ofal os yn gyrru.  
 Expand

**Cyngor Sir Ynys Môn** @cyngormon  
 Grŵp llwybrau blaenoriaeth un am 3.00pm a 12.00am (13/1). Tymheredd fyrrad debyg o ddisgyn dan 1°C. Cymrwch ofal os yn gyrru.  
 Expand

**Cyngor Sir Ynys Môn** @cyngormon  
 Gall barn trigolion helpu i gwrrd â heriau artannol. Cymrwch ran yn ein ymgynghoriad pwysig ar y Gyllideb. RT plis. ynysmon.gov.uk/gall-barn-trig  
 Expand Reply Delete Favorite More


**Cyngor Sir Ynys Môn** @cyngormon  
 Ymgynghoriad: Cwriad 2013/14. Tair wythnos i daweud eich dweud ar gynigion Cyllideb Môn. RT plis. ynysmon.gov.uk/cyngor-a-democ...  
 Expand


**Cyngor Sir Ynys Môn** @cyngormon  
 Tir ac eiddo ar weith ynysmon.gov.uk/business/tir-ac-...  
 Expand

**Ysgol Kingsland** @ysgolkingland  
 Gwastraff - Waste nbla.gsi/GYSCG  
 Retweeted by **Cyngor Sir Ynys Môn**  
Expand

[Consultation Meeting the Cr...](#) | [Isle of Anglesey CC \(anglese...\)](#) | [Isle of Anglesey County Cou...](#) | [Isle of Anglesey CC \(@angleseycouncil\)](#) | [Local Government Imp...](#)  
[Twitter, Inc. \[US\]](#) | <https://twitter.com/angleseycouncil> | [Webstructure Login](#) | [Geriadur yr Academi](#) | [Home](#) | [LG Communica...](#) | [Other bookmarks](#)  
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**Isle of Anglesey CC** @angleseycouncil

12 Jan

Gridding first priority routes at 9:00pm and 12:00am (13/1). Road temperatures expected to fall below 1°C. Please drive carefully.

[Expand](#)



**Isle of Anglesey CC** @angleseycouncil

11 Jan


Residents' views could help meet financial challenges. Take part in our important Budget consultation. Please RT. [anglesey.gov.uk/residents-view...](#)

[Collapse](#) [Reply](#) [Delete](#) [Favorite](#) [More](#)

1 RETWEET

4:40 PM · 11 Jan 13 [Details](#)

[Reply to @angleseycouncil](#)



**Isle of Anglesey CC** @angleseycouncil


11 Jan

Consultation: Meeting the Challenges: Budget 2013/14. Three weeks to comment on Anglesey's budget proposals. Pls RT. [anglesey.gov.uk/council-and-de...](#)

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4:27 PM · 11 Jan 13 [Details](#)

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**Isle of Anglesey CC** @angleseycouncil

11 Jan

Land and property for sale [anglesey.gov.uk/business/land-...](#)

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**Ysgol Kingstand** @ysgolkingstand

11 Jan

Gwastraff - Waste nblu.gs/GYSCG

[Retweeted by Isle of Anglesey CC](#)

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## 4. ESIAMPLAU O SYLW YN Y WASG

## 4. EXAMPLES OF MEDIA COVERAGE



# You not spending a penny will help council save £10m

## IN THE CUT: BUSES, PUBLIC LOOS & YOUTH SERVICES

By **ELGAN HEARN**

MORE financial misery will be heaped upon the ratepayers of Anglesey as they face a 5% hike in their council tax bills from April.

Today, the detail of how £2.8m will be cut from next year's budget is also revealed – with bus services, public toilets, school meals and youth centres all in the firing line.

A report due to be discussed on Monday by the Council's executive committee recommends the Council Tax hike to try and plug a total £3.45m gap in the local authority's finances for 2013/14. That's part of an overall £10m that needs to be saved by the end of 2016.

The report sees education, youth, older and social services will bear the brunt, with school maintenance budgets, support for the dyslexic, school meals and five youth clubs to be slashed. All of the island's public conveniences are recommended to be closed to save £227,000 a year, seven bus services are also expected to be axed to save £190,000.

Across all departments, staff restructures, loss of jobs and councillors is expected to save nearly £490,000.

Road and footpath maintenance will also be reduced to the tune of over £400,000 and car drivers can also expect to pay higher parking charges across the island.

Youth group leader and Holyhead Town Councillor, Jeff Evans, has taken on the financial burden of looking after one toilet that was due to be closed last

year.

He feels that taxpayers on Anglesey will not be getting value for money, in the future.

He said: "How do they expect tourism to survive if visitors don't have somewhere to go an wee?"

"Are we going to tell them to go behind a hedge?"

Cllr Evans added:

"Youth centres are supposed to be protected according to the government, the youth are our future, if you close down clubs where will youngsters go?"

"Personally I think they are looking at the wrong things, the council has just taken on four senior members of staff at the cost of nearly £500,000 and they seem to be making cuts to finance their own wages."

Retired nuclear engineer Tom Conway, relies on public transport to get around.

Mr Conway, 82, said: "This is going to hit people living in rural areas, especially if your doctors surgery is in a town or you're looking for work and need to travel to find it."

"I just feel that these decisions are taken by people who drive their own cars and don't know anything about those of us who rely on public transport."

But Anglesey Council have stressed that no decisions have been taken yet and that a consultation on the budget will run until a final decision is taken in March.

Finance portfolio holder, Cllr John Chorlton, said that he hoped the public would engage in the process by sending their comments to the Council, he said: "This is our first chance to

discuss what is the best way to go about things.

"I think the report gives us a very clear picture of what the state of our finances are and also what some of the tough choices we might need to take are.

"But nothing has been decided yet, I expect the final decision will be made at a Full Council meeting in March and during that time Community Councils will have had time to look at the proposals and tell us what they think and I also hope that people right across the island will get in touch with us and give us their views on the budget proposals."

Ref: 67790607

Interim head of resources, Gill Lewis, said: "Having updated the strategy for the assumptions relating to inflation, and brought the gap down to £10m, it should be possible to protect front line services by ensuring that real efficiencies are driven out of budgets over the three year period.

"Ynys Môn is planning significant transformation from some of its services, particularly in response to demographic pressures and regulators' reports and to improve the delivery of services in the future."

**HAVE YOUR SAY**

**Sue Hayes** It's like stepping back in time in Anglesey when we visit, sometimes not in a good way. The cuts proposed are ridiculous, this place needs a serious amount of inward investment. Can't quite believe that closing all public toilets is being proposed - drive tourists away as well as making cuts to destroy services to your own residents!

**Hanna Elin Hughes** The local council are intent on ruining what we have left of our island. How about they cough up for a change?

● HAVE your say at @dpwales or facebook.com/dailypostwales

**DAILY POST SAYS**  
Page 8

**Where axe falls across services**

AS part of the budget discussions all departments have been looking to make 7% efficiency savings to claw back £3.45m during the next year and £10m over three years.

Schools and Youth Clubs will see their budgets squeezed with £500,000 worth of cuts expected to hit the Lifelong Learning Department.

Older People on the island are also set to be hit as £500,000 is also needed to be saved, from the Social Services Budget

The main cuts could be made in:

- £125,000 of repairs and maintenance at both Primary and Secondary Schools.
- £40,000 on dyslexia support will be slashed
- £100,000 from school meals - according to the Council this will be done by securing "better value for money," in the contract with Eden Food services
- £12,970 Support at Ysgol Y Bont (special school)
- £50,000 from Cynnal (tech support for schools)

- Five youth clubs could close saving £11,540 (but there are no details yet on which ones are under threat)

- Hours at the Jesse Hughes Youth Club in Holyhead will be cut, saving £4,000

- Hours for area youth group leaders will be cut saving £5,180

- £227,000 will be saved by closing all public toilets

- £125,000 will be cut from street cleansing

- £190,000 will be saved by reducing 7 bus services, although the Council say they have not decided which routes will be affected

- £66,000 by reducing road and footpath maintenance budgets and increasing car parking charges

- £343,000 from Highways Infrastructure maintenance

- £500,000 Rationalising Adult Services: £487, 330 from staffing reorganisation and not filling librarian post, while £15,000 will be saved by rationalising of library cleaning arrangements

## Have your say on Anglesey's budget

ANGLESEY residents can have their say on how the council faces its toughest financial year.

Anglesey Council's 2013/14 budget consultation document Meeting the Challenges has been launched, giving residents three weeks to comment on the authority's proposals and a potential five per cent council tax increase.

Council Leader Bryan Owen said: "This will be an extremely

difficult budget for us, and given the continuing harsh economic climate facing local government, we simply won't be able to sustain all the services we provide."

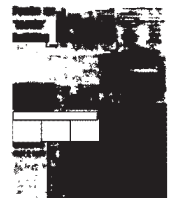
Anglesey faces a £3.45 million budget gap in 2013-14 and a £10m gap over the three years to 2015-16.

Cllr Owen added: "We have no choice but to prioritise services and public feedback, through this

important consultation process, will be vital as we look to balance a hugely difficult budget while also supporting our strategic priorities."

A five per cent increase would mean an extra 86p a week for an average band D property.

The document and draft budget are available at [www.anglesey.gov.uk](http://www.anglesey.gov.uk) or request a hard copy on 01248 752602.



# COMMENT DEBATE

## YOUR LETTERS TO THE NATIONAL NEWSPAPER OF WALES

### Save public toilets

■ SIR – It is reported that Anglesey council is discussing proposals to close its network of

public toilets as part of a bid to save £3.45m over the next year.

The fact that a local authority is contemplating closing public toilets is a great concern to Age Cymru and is clear evidence of the threat that is facing our network of public toilets in the current economic climate.

This development on Anglesey reinforces our opinion that a new law is needed that compels local authorities to provide public toilets, as theoretically, there is nothing to stop all local authorities in Wales closing every public toilet in the country, to cut costs.

The buck has to stop somewhere and without a law to protect public toilets, we fear that these proposals being discussed on Anglesey will become a reality, which could be mirrored by cash-strapped local authorities across Wales.

Public toilets are a lifeline for many older people, providing them with the freedom, independence and the confidence they need to lead fulfilling and active lives.

The Welsh Government must act now and investigate solutions to address the decline and threats to the survival of public toilets in Wales.

**GRAEME FRANCIS**  
Head of Policy and Public Affairs, Age Cymru  
**ELERI JONES**  
Chief Officer, Age Cymru  
Gwynedd a Môn

Ref: 68003126



## **APPENDIX 2**

### **SUMMARY OF KEY FINDINGS**

Themes	<i>Number of responses</i>	Summary of Key Messages
<p><b>The proposed 5% increase in Council Tax (86p per week for the average Band D property) to help protect key Council services;</b></p>	<p>11</p>	<p><b>Respondents opposed the increase on the following grounds:</b></p> <ul style="list-style-type: none"> <li>• These are hard economic times for the people of Anglesey and incomes remain static</li> <li>• Shows little regard for the local economic situation and level of deprivation on Anglesey</li> <li>• wrong and a soft option</li> <li>• masks inefficiencies</li> <li>• avoids scrutiny of budgets by department heads</li> <li>• savings should offset any need to increase Council Tax</li> <li>• will have a disproportionate effect on people living in highly banded properties with a median income lower than Anglesey as a whole (see Beaumaris Town Council Response No. 8)</li> <li>• There should be a referendum if Council Tax increase above 2%</li> </ul>
<p><b>There may be scope for us to work in partnership in some areas to transfer the management of some services (e.g. public conveniences) to partner</b></p>	<p>10</p>	<p><b>Public toilets should be retained. Various reasons put forward including:</b></p> <ul style="list-style-type: none"> <li>– essential for parents with young children and older people</li> <li>– because we are a tourist destination and toilets an important part of the necessary infrastructure to support that industry</li> <li>– some locations do not have cafes or other toilet facilities readily available</li> </ul>

**organisations or local communities. We would welcome your views on proposals of this nature as part of this consultation.**

- Tourists already complain about lack of toilet facilities
- minimal saving but maximum impact
- would losing the toilets mean losing Blue Flag status
- The closure of public conveniences would be contrary to the Council's Destination Management Plan (Beaumaris Town Council: Town and Community Councils Liaison Meeting)
- It was suggested that Community Councils could work in partnership with local organisations and apply for grants from the Isle of Anglesey Charitable Trust to run public conveniences (Holyhead Town Council – Town and Community Councils Liaison Meeting)
- Reference made to the option of communities entering into a 50-50 partnership with the County Council – this is already operational in Beaumaris (Beaumaris Town Council, Town and Community Councils Liaison Meeting)
- Need to look at introducing charges for using public conveniences (Llanfihangelesceifiog)
- Need to simplify the process and shorten timescales for setting up and implementing social enterprises (Llangefni Town Council, Town and Community Councils Liaison Meeting)

**Other ideas:**

- all commercial premises with a retail element should provide toilet facilities for the public
- improve signage in shops/cafes etc. which are part of Welsh Government toilet





<p><b>provision</b></p>	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p>	<p>'state of the art' leisure centres (See Response No. 9/20).</p> <p>Leisure and culture services are choices that people make whether to use them or not, should be run as commercial undertakings</p> <p>Leisure centres should be sold and taken off the estate once and for all</p> <p>Welcomes more time to consider but would prefer that Beaumaris Leisure Centre remains a County Council funded facility (see Response 8 from Beaumaris Town Council for detailed reasons)</p> <p>The local community is being asked to fund facilities that are of wider island benefit and all leisure centres should be treated equally (See Response No. 8 from Beaumaris Town Council)</p> <p>Other authorities have moved all leisure services to a leisure trust which is run on a profit-making basis this should be considered (See Response No. 16)</p> <p>Maintain leisure budgets proven to assist in health, look at charging health authority for services provided, have day clinics at leisure centres, make greater use of facilities</p> <p>Increase the charge for OAPs to attend leisure centres (Response No. 25)</p> <p>Concerns raised by Betsi Cadwaladr University Health Board on unintended impact on people accessing leisure opportunities which could reduce usage and benefits of services (See Betsi Cadwaladr University Health Board Response No. 27)</p>
<p><b>Cut in youth services</b></p>	<p>2</p>	<p>Opposed on the grounds that:</p> <p>young people are the future and need to be encouraged to use their time and energy in constructive ways</p> <p>One young person who becomes criminalised will</p>

		<p>have short term negative employment issues and will be too many</p> <p>Vital places where young people can get together occupy themselves under supervision</p> <p>Taking the service away would cost the Council more money in vandalism and danger to rest of the community</p> <p>Further comments:</p> <p>Youth service needs to be critically reviewed</p>
<p><b>Prioritising growth in children services and the Energy Island Programme</b></p>	<p>1</p> <p>4</p>	<p>Children's Services:</p> <p>No specific comments</p> <p>Energy Island</p> <ul style="list-style-type: none"> <li>– future development in the hands of major industrial companies, can initiative be justified (See Response No. 6)</li> <li>– Not a statutory function (See Response No. 7)</li> <li>– needs to be balanced by a reasonable proportion of funds for economic development being used to support and maintain the facilities and services which support tourism (See Response No. 8)</li> </ul>
<p><b>Further assumptions we should make in medium term financial planning</b></p>	<p>1</p> <p>3</p> <p>1</p>	<p>The council needs to make huge efficiency savings and follow a green agenda as we are seeing the effects of climate change</p> <p>Tourism should be recognised further in budget proposals</p> <p>Farming should be supported – including limiting plans to concrete over viable farmland which also affects the environment and tourism (See Response No. 9)</p>
<p><b>Your priorities for the Capital Plan</b></p>	<p>3</p>	<p>Management of schools estate and school places – rationalisation must take place urgently with clear timelines (Response No. 2)</p>

	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p>	<p>Libraries' role is changing and they are now places where people without home computer access can use these facilities – they should be a fundamental part of multi-purpose public buildings</p> <p>If Beaumaris Leisure Centre is being handed over to the community all leisure centres should be handed over to their communities (See Beaumaris Town Council Response No. 8)</p> <p>Sell off golf course at Oriel Mon for development (See Response No. 12)</p> <p>Move housing stock to a housing trust – have access to funding lines that councils do not have (See Response No. 16)</p> <p>Saddened to see buildings in good state of repair being underused – make use of them (See further detail in Response No. 19)</p>
<p><b>Any other suggestions you may have on efficiency savings or service transformation to achieve the best outcomes for Anglesey residents.</b></p>	<p>3</p> <p>5</p>	<p><b>Changes in Bus Services</b></p> <p>Change size of buses running on the island from 40 seaters to 9-12 seaters (Response No. 1)</p> <p>Betsi Cadwaladr University Health Board Locality Team should be involved with the detail of any changes at early stage (See Response No. 27)</p> <p><b>Staffing</b></p> <p>All staff:</p> <p>All jobs need to be reviewed from very top to bottom to decide if they are essential and graded correctly.</p> <p>Can the Council afford the current structure of a multitude of small sections, needs to be leaner and flatter, needs review</p> <p>Vacant posts – should be deleted unless in frontline teaching or social care (See Response No. 8)</p> <p>Reduce number of beach wardens (See</p>

	<p>3</p> <p>2</p> <p>1</p> <p>5</p> <p>2</p>	<p>Response No. 12)</p> <p>Consider volunteers (See Response No. 16)</p> <p>Consider extending unpaid leave/duvet days and delegation (Response No. 23)</p> <p>1% reduction in council staff in 2013 and again in 2014 with a review of a similar reduction in 2015,5-10% reduction in salaries above £30K, No. annual increments in salaries above £20K for at least 5 years, a significant reduction in entertainment budget (See Responses No. 18/19)</p> <p><b>Senior Management</b></p> <p>Pay in excess of other larger authorities</p> <p>Revise further recruitment of “high fliers” at the expense of ordinary council workers (See Response No. 9)</p> <p><b>Less Consultants</b></p> <ul style="list-style-type: none"> <li>- staff should already hold necessary qualifications</li> </ul> <p><b>Partnership working</b></p> <p>Extend cooperation with neighbouring authorities</p> <p>Combine IT dept with another authority (See Response No. 16)</p> <p>Discuss fully and impartially with voluntary sector when looking at opportunities to provide services differently (See Response No. 24 from Medrwn Môn)</p> <p>Questions raised by Betsi Cadwaladr University Health Board regarding Voluntary Sector SLA costs (See Response No. 27)</p> <p><b>Parking:</b></p> <p>Introduce free parking. Holyhead appeared to flourish during Christmas free parking period and</p>
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		<p>may have suffered due to lifting of one hour free parking (See Response No. 4)</p> <p>If raising parking charges, consider the effects of the increase (See Response No. 23)</p>
	3	<p><b>Other Fees and charges</b></p> <p>Review fees and charges (See Response No. 6)</p> <p>Scrap Boat Registration Scheme</p> <p>Consider fee for submitting wind turbine developments (see Response No. 27)</p> <p>Consider charging pensioners for bus journeys (Response No.. 25)</p>
	1	<p><b>Corporate democratic costs</b></p> <p>Seem excessive (see Response No. 7)</p>
	1	<p><b>More joined-up thinking</b></p> <p>Don't close public toilets and make toilet provision a priority in the Destination Management Plan (See Response No. 8)</p>
	1	<p><b>Better performance management/budget control</b></p> <p>(See Response No. 8)</p>
	1	<p><b>Winter maintenance</b></p> <p>(gritting etc) volunteers within individual communities could help clear pathways, estate roads etc in partnership with the local authority (Llangefni Town Council, Town and Community Councils Liaison Meeting)</p>
	2	<p><b>Moratorium on further road improvements</b></p> <p>(See Response No. 9/20)</p>
	2	<p><b>Grass-cutting</b></p> <p>Stop offering service to the elderly/certain other</p>

		<p>council house residents and start charging (See Response No. 11)</p> <p>Stop collecting grass cuttings and install public waste bins in villages for garden waste (See Response No. 12)</p> <p><b>Bilingual Policy</b></p> <p>Stop printing bilingual materials, use whichever language most appropriate and alternative available for download only (See Response No. 12)</p> <p>1 Consider how many people need the bilingual service (See Response No. 14)</p> <p>1 <b>Improve marketing of Oriel Mon</b> (See Response No. 12)</p> <p>Reduce number of councillors further (See Response No. 25)</p> <p>Various options outlined by Pentraeth Community Council (Response No. 28)</p>
<b>Members' allowances</b>	11	<p>Members should decline the rise in allowances because:</p> <p>Members allowances are too high.</p> <p>Increase gives a bad impression (Trearddur Community Council, Town and Community Councils Liaison Meeting).</p> <p>Refusing to accept the increase may start to change the impage of Anglesey councillors (See Response No. 23)</p> <p>Council tax increase being proposed and staff pay being frozen</p>
<b>School Meals</b>	1	<p>Opposed to any cuts as:</p> <ul style="list-style-type: none"> <li>– any cutbacks would affect health and wellbeing of local population (See Response 4)</li> </ul>

<b>Education Budget</b>	1	See Response No. 29 – comments from Schools Forum Meeting on Monday 4 <sup>th</sup> February 2013.
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## APPENDIX 3

### RESPONSES (CONTAINING APPROPRIATE REDACTIONS OF PERSONAL INFORMATION)



Mr J Weston

Budget Consultation, Anglesey 2013/14.

Chief Executives Office. Open letter to all.

The Anglesey Council has proposed that the Council Tax should rise by 5% for the period 2013/2014 and for the years to follow. These are hard economic times for the people of Anglesey and the people I talk too, say there should NOT be an increase what so ever, after all we had a 4.5% increase last year and for most our incomes remain static.

The council needs to make hug efficiency savings and also to follow a green agenda as we are now beginning to see the effects of global weather change.

Anglesey Public transport burns a lot of fuel each year running large 40+ seated Buses with just a few passengers in them, often with no one on them this is such a waste of taxpayer's money and is a heavy carbon foot print for the people of Anglesey (just one example the 51 bus along the prom' and Bay view rd, Benllech). A solution to this would be to use 7/12 + seated Sherpa type vehicles, local coach company' s have these vehicles available complete with disabled access and could be contracted to provide a service. This would be a huge saving in fuel, infrastructure and a big reduction in harmful exhaust emissions.

People do not use Libraries as often these days as they did in by gone times this is a fact of life in the 21<sup>st</sup> century. Books are easily and cheaply available to buy on the WWW. We need to keep a Central reference Library, this could also be used as a hub for instruction and assisted purchase of electronic books, such as "Kindel". Surely we do not need 10 Libraries and a mobile Library service on Anglesey in this day and age? Again the libraries are for the most of the time empty, yet another waste of valuable resources and finances

Leisure and swimming pools are important in our community, what we need is to concentrated our resources and create one or two "super state of the art" properly heated swimming pools/sporting complexes for the people of Anglesey to enjoy and to include the young and elderly, the rest must be closed, to make financial savings and to have a green impact.

In these hard economic times we need a council that is efficient and prudent in their decisions and to follow a green agenda for the sake of the planet, the 13% allowances should be declined as it would not be morally correct to receive it, the inflation busting 5% Council tax rise, should be stopped to help the people of Anglesey.

Yours sincerely,

John Weston. 1<sup>st</sup> /Feb/2013.

31 January 2013

**Isle of Anglesey  
Consultation Process for the IOACC Budget 2013/2014**

I wish to comment as follows:

1. The Welsh Government has increased the amount it is giving by 1%. This should be the starting point for all increases in Council Tax, Fees and other charges in 2013/14.
2. Council tax is proposed to rise by 5%. This is wrong and a soft option. Elsewhere there is a cap of 2% and rises above that have to be put before the council tax payers.
3. Increases of 5% in the council tax masks inefficiencies and avoids fundamental hard nosed scrutiny of budget proposals by departmental heads.
4. The major cost in any service organisation is staffing. The bulk of any savings should come from this budget.
5. We are currently reaping the rotten fruits of extremely poor management of resources and the fudging of these issues by both officers and members. This has to radically change and all jobs from the very top to the bottom need to be reviewed starting with the question, are they essential and are they graded correctly. Are salaries too high for such a rural area with little market competition.
6. Where there are said to be proposals to restructure staffing these need to be resolved with tight, clear time lines.
7. There does not appear to be a breakdown of actual staff costs readily accessible within the appendices produced.
8. Some of the proposed savings are reasonable and the proposed savings of £3,977,000 against the target savings of £2,940,000 leaves a balance of £1,037,000. One can only assume this will offset some of the proposed savings identified. The council tax payer needs to be included in this offset figure. They have no choice, they have to pay.

9. The management of the schools estate and school places has been woeful. This cannot be allowed to continue. Resistance to change has been chronic and far too petty and parochial. Officers and members are equally guilty. Rationalisation must take place as a matter of urgency with clear time lines.
10. There are emotive issues regarding all services. Leisure and Culture services are basically all choices that people can make as to whether or not they use them. These are essentially commercial undertakings and should be run as such. The stock of leisure centres should be critically reviewed, not tinkered with. They should be sold and taken off the estate once and for all.
11. Public toilets are always a bone of contention. They should be retained. They are an essential service for parents with young children and older people (we already have a high number and they are living longer). We are also a tourist destination and such facilities are again essential. The alternative is that all commercial premises with a retail element should provide toilet facilities for the public. It is an option that this service facility should be contracted out to a commercial operator.
12. All suggestions of cutting back on youth services should be resisted. These services are essential and need to be critically reviewed. Our young people are our future. They need to be encouraged in every way to use their time and energy in constructive ways. One young person who becomes criminalised will immediately have short term negative employment issues to contend with. One such person is one too many.
13. Libraries are historically places of learning, information and leisure. Their role is changing and they are now also places where those without home computer access can use these facilities. Libraries should become a fundamental part of multi purpose public buildings.

**BUDGET CONSULTATION YMGYHORIAD CYLLIDEB - CONSULTATION :  
MEETING THE CHALLENGES BUDGET 2013 - 2014**

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**From:** "Town Council Cyngor Tref Menai Bridge" [REDACTED]  
**To:** <budgetconsultation@anglesey.gov.uk>  
**Date:** 29/01/2013 12:46  
**Subject:** CONSULTATION : MEETING THE CHALLENGES BUDGET 2013 - 2014

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FOR THE ATTENTION OF COUNCILLOR BRYAN OWEN - LEADER OF THE COUNCIL

Dear Mr. Owen

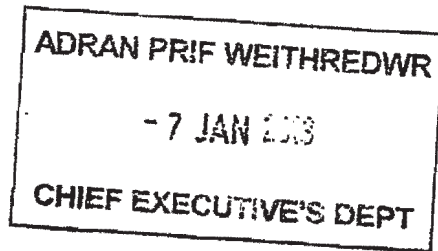
Thank you for the recent correspondence regarding "Meeting the Challenges Budget 2013 - 2014".

Members of Menai Bridge Town Council have noted receipt of the document but have no observations to make.

Yours sincerely,

*Linda Fraser-Williams*

Town Clerk



4<sup>th</sup> January 2013

**To whom it may concern.**

As an Anglesey resident and council tax payer I feel I must add my voice to the many who are doubtless outraged at the further proposed cuts reported in today's Daily Post.

Whilst enjoying and appreciating many of the services provided by the council I would like to make the following points.

I am a volunteer visitor at Penrhos Stanley Hospital. Amongst the patients waiting to be discharged to their own homes there are many long time residents and council tax payers. Most are fiercely independent and determined to return home, to continue paying their council tax and live as normal a life as possible. For many, this will only be possible with a great deal of help and support from Social Services. Many have families living too far away to be able to offer much practical help, offspring who, like me at one time, were obliged to move away to find employment. For very many people Social Services support will be their lifeline, saving money on future hospital admissions and residential care (also threatened at this point). The Census has shown we are an ageing population, how can cuts be sustained here?

School meals also impact on the health and well being of the local population. The number of take away outlets that appear to flourish in my town of Holyhead, presumably sanctioned by the current Council, is an indication of the diet of many of our residents. It is vital that our children are given a nourishing, well cooked and well balanced meal at school. Can we be assured that the cuts will ensure the current quality will be maintained?

Youth services are vital, places where young people can get together, occupy and enjoy themselves under supervision must ultimately be cost effective. Some bored youngsters with nowhere to go and nothing constructive to occupy them may well resort to mindless vandalism, thus costing the Council more money and causing inconvenience and danger to the rest of the community.

The proposal to cut all public toilets is unthinkable in a county that depends so heavily on tourism. My local beach, Porthdafarch, hugely popular with residents and tourists alike currently had public toilets open only during the day in the summer period; it is used by canoeing, kayaking, coastering groups all the year round. Goodness knows where they relieve themselves! If there were no toilet facilities at Porthdafarch, a place that has no cafes or other toilet facilities it would inevitably lead to health and safety issues, not to mention a decrease in the number of tourists prepared to use the beach resulting in reduced visitor footfall. The same arguments can be applied to many other venues across the island. I occasionally work in

Trearddur Bay RNLI shop where tourists complain bitterly about the paucity of toilet facilities.

With retail parks and supermarkets with free parking having already eroded most of out town centres, how an increase in parking charges can be justified is hard to see. While Holyhead enjoyed free parking during the Christmas period and the ridiculous and pointless pedestrianisation restrictions were lifted the town almost appeared to be flourishing. I, for one, avoid using the town when parking charges are in place and know I am not alone in this. It would be interesting to know whether the town has suffered even more since the lifting of the one hour free parking that was in place until recently. I would suggest that charging a small fee of, say 20p, to everyone parking in any retail park or supermarket car park would gain the Council huge revenue but I expect the big supermarkets are the rulers here.

In recent years I have been aware of an extremely expensive management structure imposed and appointed by the Welsh Assembly. Despite this, the councillors, at one time deemed inefficient, appear to have been reinstated. All this has been and continues to be very costly. Councillors' expenses alone provide an astronomical bill. We have been denied the opportunity to vote for any of this.

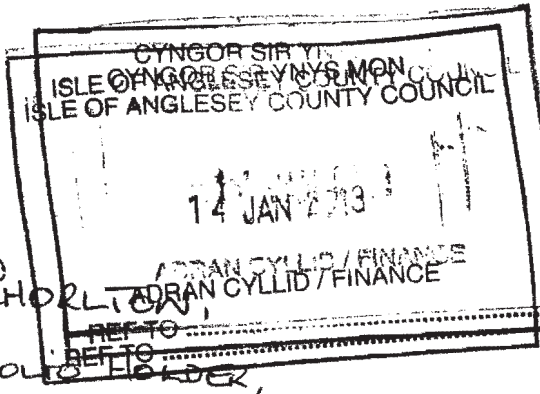
It would appear that it is the old, the young and disadvantaged who are to be the victims of financial cuts. I would like to query – when will democracy be returned to Anglesey inhabitants so that we can all have our say?

Yours sincerely

A large black rectangular redaction box covering the signature of Rosemari Heaney.

Rosemari Heaney

CHARLES SHERRATT, 5



Cllr. JOHN CHORLTON,  
FINANCE PORTFOLIO HOLDER,  
ANGLESEY County Council,  
COUNCIL OFFICES,  
LLANGEFNI.

7.1.2013.

Dear Mr Chorlton,

In order to take a balanced view on the process of consultation on next years budget, I wish to obtain a full breakdown of council expenditure for years 2010-2011, 2011-2012, and proposed for 2012-2013.

In particular, I am interested in the expenditure on various individual establishments.

I believe I am able to obtain this information under the freedom of information act and humbly request your prompt reply.

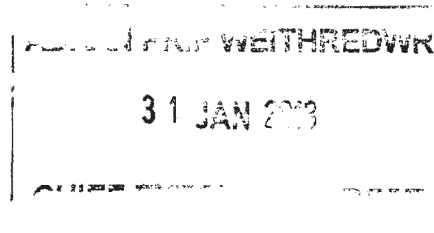
Yours Sincerely

*Cyngor Cymuned* **BODORGAN** *Community Council*  
 Clerc/Clerk – Mrs Deborah Evans. Tel: – 01407 840915.

Cerrig Iago  
 Bethel  
 BODORGAN  
 Ynys Mon  
 LL62 5HP

30<sup>th</sup> January 2013

Consultation on 2013/14 Budget Proposals  
 Chief Executive's Office  
 Ynys Mon County Council  
 County Offices  
 LLANGFNI  
 LL77 7TW



Dear Sir,

**Re: 2013/14 Budget Proposals.**

The Bodorgan Community Council considered your draft budget proposals for the 2013/14 financial year at their meeting of the 29<sup>th</sup> January 2013.

As the members had some concerns about some aspects of the proposals, I have been instructed to write to you to express those concerns.

Whilst the Council fully accepts the financial difficulties that the authority faces, they were concerned about how you proposed to address those difficulties. There was extensive concern about the virtual acceptance of a 5% increase in the Council Tax for the next three years, but with little regard to the local economic situation. How can your officers justify an increase well in excess of inflation in what is predominately a very low wage economy; the County Council being one of the few exceptions from that norm? That statement is not meant to convey any disrespect, but rather to emphasise the need for a ruthless business orientated approach. The members have no wish to see any increase in unemployment, but unfortunately it is inevitable that the public sector must share the "pain" with the private sector.

Can a small authority such as Anglesey afford the current structure of a multitude of small sections, each with its own managerial/supervisory hierarchy? Would a leaner and a 'flatter' structure not be more cost effective? Public services should be structured in an economic, efficient and effective manner. Is Anglesey an authority of a sufficient size to justify its own corporate centre, or would it be more prudent to extend co-operation with neighbour authorities. Gwynedd Council appears to be able to plan ahead for cutbacks with a proposed increase of 3.5% in the Council Tax – is this a reflection of a more coherent remuneration policy and efficient management?



Have the Members and Commissioners compared the authorities staffing structure at its inception in April 1996 with that that exists now, and the reasons for any additions including grade inflation; -an in depth examination might reveal scope for savings?

Closing public toilets provides a minimal saving in terms of the deficit that needs to be eliminated, but at what cost to the local tourist economy. The Executive identified this industry as worth £245 million to the County in December 2012. They may not be a statutory function, but the members of this Council believe that they are an important part of the necessary infrastructure to support that industry.

The "Energy Island" initiative is a discretionary function, whose future development is in the hand of major industrial companies who make their decisions regardless of the views of local politicians. Can the expenditure on such an initiative be justified, as to outsiders it appears to be nothing more than an ego booster for a few individuals. Anglesey has a history of developing "economic miracles" which have resulted in more than one "white elephant".

The members were also concerned about possible increases in fees and charges, obligatory and discretionary. The effects of the parking fees can be seen in the empty Town centres of the island, and our beach car parks may follow if tourists are driven away by excessive charges. The Llangefni market has been virtually wiped out and local business are all stretched financially without additional burdens. It is appreciated that an increase in fees can offset fiscal cuts, but officers and members must be careful that they do not kill off the "golden goose". Our members believe that an increase of 5% in the Council Tax to be unreasonable and unacceptable, given the prevailing economic situation on the Island.

In conclusion, the members of this council were disgusted with the 13% rise in allowances, reported in today's Daily Post. This cannot be justified when staff pay is frozen. The members should all do the honourable thing, and decline to accept it. The rates quoted are well in excess of what professional officers of the authority are paid, and are an affront to them,

Yours faithfully



Mrs Deborah Evans, - Clerk to the BODORGAN Community Council.

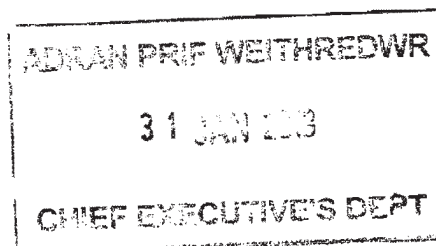
# Malltraeth Ymlaen 'cyf'

7

Bodorgan Community Centre  
BODORGAN  
Ynys Mon  
LL62 5AB

31<sup>st</sup> January 2013

Consultation on 2013/14 Budget  
Chief Executive's Office  
Isle of Anglesey County Council  
Council Offices  
LLANGEFNI  
Anglesey  
LL77 7TW



Dear Sirs,

## **Re: 2013/14 Budget Proposals.**

Malltaeth Ymlaen, the Community Group for Bodorgan considered your Budget Proposals for the next financial year at their meeting last night. Our members were amazed to see a recommendation for 5% rise in the Council Tax, and that this rate of increase be applied over the following years as well. Don't the officers that prepare these reports realise that Anglesey has a low wage economy; or at least what is left of it. To expect the working person to pay an increase of twice the inflation rate is both unaffordable and unacceptable. We make the following observations with a complete understanding of the need to cut back expenditure on public services, but please do so in an objective manner, with the preservation of front line services as your main priority.

There is a perception within a segment of the public that officials have lost sight of their purpose to deliver services, and appear to expect the authorities to operate for their own benefits. Similarly that elected members appear preoccupied with the "grave train" at the expense of the electorate, except for a few weeks preceding elections. The elected members must understand that if they support the 5% increase, their position as Councillors will come to an end in May.

An Executive Committee in December accepted a report that the local tourist industry was worth £240 million to the local economy. Yet the budget proposals include the closure of all public conveniences. They may not be a statutory function, but they must be an important factor in the support of the tourist industry. "Energy Island" is not a statutory function either, and the big players involved make their own decisions and will not be influenced by the views of local politicians, therefore why waste an additional £300K on this as it equates to an unnecessary 1.15% on the rate.

How does the authority justify its rate of remuneration to the Senior Leadership Group? Taxpayer's alliance figures show that it is well in excess of numerous larger authorities, and well in excess of the recently criticised payments made by Gwynedd Council. The half a million cost of the increases in the current fiscal year should be reversed. There is no legal impediment to such action which would save some 1.8% on the Council Tax. It is accepted

# Malltraeth Ymlaen 'cyf'

that this may be one of the legacies of the Commissioners, and in particular one well experienced in riding the "gravy train". Anglesey's problems did not warrant such expenditure.

Cannot Corporate Democratic costs be further trimmed, as they appear excessive at £2.169 million? Consider a 10% cut in this sector of the budget. Was there a need for the recently advertised post of Corporate Manager on a salary of £43K (true cost £55K), for which the nine page job description showed it to be nothing more than a general "dogs body" for the Directors and elected members. Why are the authority still engaging consultants and in particular former employees, granted early retirement, re-engaged on what appears to be a semi permanent basis within one department.

Has there been an in-depth review on the attendance of members and officers on out of county meetings and conferences, and what benefits emanate from such attendance.

We note a contingency of £400K for Job Evaluation. Does job evaluation have a cost if carried out in an objective manner? Why not start by comparing the staffing in 1996 and that in place now, and why the changes and additions including salaries. Review the tier of Policy Officers/Compliance Managers and other fancy titles that are normally tasked to identify savings – turkeys do not vote for Christmas. Another legacy of the Commissioners is a reinforced corporate centre, the very area that delivers no service to the public and a reflection of the public service background of the Commissioners and their lack of business acumen. They will ride off to the sunset with well lined pockets, leaving the taxpayer's of Anglesey to pick up the tabs.

We were also amazed to read of the 13% increase in the allowances for councillors in the Daily Post on the 29<sup>th</sup> January. If the members have any moral values, they should not consider accepting this increase, at a time when staff pay is virtually frozen. The fact that it is a recommendation by an independent remuneration panel is of no significance, as that is probably made up mostly from individuals used to the receipt of public funds. The working hours quoted by the leader are unbelievable, but might justify the gritting of an unclassified road as far as his residence during the recent snow, in case Anglesey came to a halt without him – or is it another example of warped priorities when schools were closed through lack of snow clearance at the same time.

We sincerely hope that this is a genuine attempt at consulting the electorate and that you will give serious considerations to the observations submitted to you, and ensure that they are brought to the attention of all forty members, as the final decision on the Council Tax will be made by the County Council. We would suggest that an increase of 3% in the Council Tax might be palatable for the taxpayers,

Yours faithfully,



S A Jones - Secretary



8

TOWN HALL/NEUADD Y DREF, CASTLE STREET/STRYD Y CASTELL,  
BEAUMARIS, ANGLESEY/YNYS MON LL58 8AP  
TEL/FFON : 01248 810317 e-mail/e-bost: beaumaristowncouncil@tiscali.co.uk  
TOWN CLERK/CLERC Y DREF: PROFESSOR T W ASHENDEN JP, BSc(Hons), PhD

Our Ref: TWA/PSG/6832

31 January 2013

Consultation on 2013/14 Budget  
Chief Executives Office  
Isle of Anglesey County Council  
Council Offices  
Llangefni  
Anglesey LL77 7TW

ADRAN PRIF WEITHREDWR

- 1 FEB 2013

CHIEF EXECUTIVE'S DEPT

## MEETING THE CHALLENGES – BEAUMARIS TOWN COUNCIL RESPONSE

Beaumaris Town Council welcomes the opportunity to comment on Anglesey County Council's budget proposals for 2013/14. Financially these are difficult times and it is good to see that the County Council is making efforts to live within its means.

Overall the Council agrees with the stated intention to prioritise protection of the most vulnerable in society. However it is vital that the importance of tourism to the local economy be better recognised in the budget proposals. The Destination Management Plan values tourism to Anglesey at £233 million per year and 4000 jobs. Ill considered cuts in council services will damage that income and employment whereas wisely targeted spend and services will underpin and support this vital industry.

In response to the specific feedback requested:

### Social Services Budget

The assertion that social service budgets are being increased to avoid major cuts to activity levels is not borne out by the recent closure of the Beaumaris day care centre and the threat to the future of Haulfre residential home.

### Leisure Budget

Though the Town Council would prefer that the Beaumaris Leisure Centre remains a County Council funded facility, it welcomes the proposal to maintain budget to give time for alternative arrangements to be made. However the Town Council has several concerns about the process which are outlined below.

The Town Council welcomes the progress being made by the Friends of the Canolfan to secure the future of Beaumaris leisure centre. This centre is more than just a local community resource, it plays a key role in supporting tourism across a wide area. The seating in the hall makes it a real multi use facility. However the Town Council is concerned that the Friends of the Canolfan may be being encumbered by large long term financial obligations that it will find hard to meet (e.g. pension rights of existing staff). The Council makes a plea that the County Council makes a relatively small contingency provision to underwrite these obligations. It would make a significant difference to the long term viability of this important tourist asset.

Councillors expressed a more general concern that increasingly the local community is being asked to fund facilities which are of wider island benefit. This does not seem to be the case elsewhere on the island. The Town Council requests that all leisure centres are treated equally. If one is to be handed over to the local community all should be handed over. The County Council should also look hard at the most expensive part of its leisure centre estate - swimming pools. Do we really need three swimming pools to serve the local population?

### **Prioritising Growth in Energy Island.**

The Town Council welcomes support to the Energy Island Project. However the future of Wylfa B is subject to uncertainties beyond the control of the County Council whereas tourism is already a major industry on the island. A more balanced approach is required with a reasonable proportion of funds for economic development being used to support and maintain the facilities and services which support tourism. For example the strategic objectives of the recently agreed Destination Management Plan include:

- SO 2.2.2 Support local heritage attractions
- SO 2.2.3 Support existing leisure attractions
- SO 3.5.4 Make adequate provision for public toilets

The Town Council suggest that part of the £300,000 proposed by the Economic Development Service for Energy Island could be effectively used to support the strategic objectives of the Destination Management Plan.

### **Capital Plan Priorities**

The Town Council were most concerned to see the reference to "Rationalisation and upgrading of leisure centres" as a capital priority. The community of Beaumaris is having to make great efforts to keep its leisure centre open. This centre, which is able to host major events such as the Beaumaris Festival and Plaid Cymru Spring Conference, provides a valuable resource for attracting business and visitors to Anglesey. It is therefore grossly unfair that the community of Beaumaris is being asked to put its hand in its own pocket in order that the County Council can redirect funds to other leisure centres. Anglesey County Council should be treating all leisure centres the same. If Beaumaris Leisure Centre is to be handed over to the community ALL leisure centres should be handed over to their communities.

### **5% Increase in Council Tax**

The Town Council feel that this will disproportionately affect the people of Beaumaris. Beaumaris has a larger proportion of highly banded properties but has a median income lower than Anglesey as a whole. As a result the proposed increase will take a proportionately larger amount out of the local economy.

There are a few other more general observations that the Town Council wishes to make on the proposed budget.

#### **1. Joined up thinking**

The Town Council recognise that there is a statutory requirement for some spending. However it is not clear that the County Council is thinking corporately when making decisions about discretionary spend. It appears that some departments are making proposals without taking into account the wider implications. For example: The Waste Management department proposes to close the public toilets on the island despite toilet provision being a strategic priority in the Anglesey County Council's Destination Management Plan. Street cleaning is another service which appears easy to cut until one considers the importance of clean streets to visitors. Another proposal which could have an unfortunate impact on visitors is the proposed increase in parking charges, though the Council could consider differential rates designed to make visits to tourist attractions and destinations more affordable.

#### **2. Current Performance**

It appears that more needs to be done to create a culture of prudent financial efficiency and economy amongst council staff. The Council's own monitoring reports show that at least one departments is already 100% overspent against profile at the half year. Key cost saving projects (particularly reducing staff numbers and staff travel terms and conditions) seem to be continually slipping.

Other departments seem to be significantly behind profile in their spend (20% in at least one case). Where there are under spends against profile, the Town Council urges the County Council to avoid the temptation to spend in a hurry at the end of the year to catch up. Where departments fail to spend on time the under spend should be transferred to reserves as a hedge against the coming lean years.

There is a further example that suggests that some staff have yet to grasp the reality of the financial situation. Several departments submitted bids for growth. The Town Council is pleased that virtually all these bids have been turned down but wonder whether the bids should have been submitted in the first place.

#### **3. Economic Development - Tourism**

The Town Council welcomes the efforts being made to build the economy of the island. The recent adoption of the destination management plan is excellent news. However the importance of this plan does not seem to be reflected in the budget proposals. Several services are under threat which if cut would damage the tourism prospects of the island:

Public Toilets: Visitors need good public toilets. Cruise operators have already told the County Council that they will not take their passengers to places with inadequate facilities.

Street Cleaning: People will not visit scruffy dirty places. Street cleaning is an important part of creating attractive destinations. If cuts are required the cleaning of visitor destinations should be protected.

Leisure Centres: These service visitors as well as local people. Those which can be used to encourage visitors (for example by hosting concerts, events, conferences) deserve to be supported.

#### 4. Vacant Posts

The Town Council noted several proposals to delete vacant posts. In these difficult times this is to be welcomed. Perhaps the time has come when the assumption is that a post will be deleted as it becomes vacant (with exceptions of front line teaching and social care posts). This has been the approach in many other organisations.

Such an approach might also bring the County Council's large severance pay bill under control. The Town Council note that a contingency of £1 million has been set aside in 2013/14 and that in 2011/12 £1.5m was spent on exit packages. These sums would go a long way to keep important council services operating. It is important therefore that more be done to reduce head count in a way that does not involve severance pay and using natural wastage is an obvious way of doing this.

Yours sincerely



Professor T W Ashenden  
Town Clerk

9

**From:** Les  
**To:** <budgetconsultation@anglesey.gov.uk>  
**Date:** 15/01/2013 14:15  
**Subject:** Consultation.

Sirs,  
You ask for views regarding the budget.

My suggestions are these:

- 1) Freeze or even reduce Councillor's "expenses".
- 2) End "fact finding" missions.
- 3) Reduce the use of consultants. Your officers should already hold the necessary qualifications.
- 4) Declare a moratorium on further road improvements, expensive TRO's, annoying speed bumps, etc.
- 5) Improve the means to increase both farming and tourism - this includes limiting plans to concrete over viable farmland which also affects the environment and tourism.
- 6) Revise as necessary the need for further recruitment of "high fliers", particularly if this results in redundancies for ordinary Council workers.

Regards,

Les. Hayward.



**BUDGET CONSULTATION YMGYHORIAD CYLLIDEB - Cwrdd a'r Heriau Y Gyllideb 2013/14**

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**From:** "Andreas/Manon Huws" [REDACTED]  
**To:** <ymgyngoriadcyllideb@ynysmon.gov.uk>  
**Date:** 17/01/2013 21:40  
**Subject:** Cwrdd a'r Heriau Y Gyllideb 2013/14

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10

Annwyl Syr/Madam,

Ysgrifennaf atoch fel cynrychiolydd Unllais Cymru, Cyngor Plwyf Llanddyfnan. Ymateb i'r ddogfen ymgynghorol " Cynigion Cyllidol/Gwella Cychwynnol y Pwyllgor Gwaith ar gyfer 2013/14.

Parthed y paragraff " Rhaglen Ynys Ynni" tudalen 6, " Blaeoriaethwyd adnoddau fel y gellir gwneud y gwaith paratoi pwysig fel buddsoddiad ar gyfer budd cymunedol yn y dyfodol", credaf bod gwir angen am fwy o fanylion am yr "adnoddau" a natur y "buddsoddiad" y cyfeirir atynt yma. Cyfeirir at hyn eto yn atodiad C fel "Buddsoddiad a chyfraniad CSYM i'r Rhaglen Ynys Ynni. Er mwyn trafod yr arbedion arfaethedg yn gytbwys a chyflawn, mae'n angenrheidiol cael y wybodaeth yma. Gofynaf felly am wybodaeth pellach fwy manwl a thryloyw ynghylch yr uchod, fel bod modd cyfrannu yn llawn i'r ymgynghoriad hwn.

Byddwn yn falch o dderbyn cydnabyddiaeth eich bod wedi derbyn fy e-bost, ac fe fyddaf yn edrych ymlaen i dderbyn eich hymateb i'm cais.

Yn Gywir

Manon Huws

# TRANSLATION

10.

**E-mail from:** Andreas/Manon Huws

Dear Sir/Madam,

I write to you as the representative of Unllais Cymru, Llanddyfnan Parish Council. Response to the consultation document "the Executive Committee's Initial Financial/Improvement Proposals for 2013/14". With regard to the paragraph "Energy Island Programme" page 6, "Resources have been prioritized to allow this important preparation to take place as an investment for future community benefit". I truly believe that more details are needed with regard to the "resources" and the nature of the "investment" referred to here. This is referred to again in Appendix C as "The Isle of Anglesey Council's Investment and Contribution to the Energy Island Programme". In order to discuss the proposed savings fully and in a balanced manner, this information is needed. I therefore request further more detailed and transparent information with regard to the above, in order that I can contribute fully to this consultation.

I would be pleased to receive acknowledgment of my e-mail and I look forward to receiving your response to my request.

Yours faithfully,  
Manon Huws.

**BUDGET CONSULTATION YMGYHORIAD CYLLIDEB - Cost cutting**

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**From:** RICHARD GRIFFITHS  
**To:** "budgetconsultation@anglesey.gov.uk" <budgetconsultation@anglesey.gov.uk>  
**Date:** 18/01/2013 16:37  
**Subject:** Cost cutting

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Mr Richard Griffiths

Thank you for this opportunity to offer my input on the Problem that Anglesey County Council, and its residents faces with future Budget restraints.

Every year the Council spend countless thousands of pounds in providing Grass cutting services to elderly council house Tenants.

Is it not unreasonable to continue offering this service at an extra charge ?

My Mother who is elderly pays someone to cut her grass because she Bought her ex-council house and therefore does not qualify for grass cutting,so

it is not unreasonable to expect payment for this service from Anglesey council elderly tenants.

Also does the Council actually check who qualifies for Grass cutting ? as i am fully aware that some Tenants who get their Garden cut are not even pensioners

but somehow still get their Gardens cut.

This is an emotive subject and bound to attract negative comments from some elderly tenants who would oppose this idea,however we have to bear in mind that

other Elderly residents of Anglesey have been paying for years without complaint.to get their Gardens tended from private contractors.

This is just one idea for your consideration and once again Thank you.

**BUDGET CONSULTATION YMGYHORIAD CYLLIDEB - Suggestions**

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**From:** Jenet Peers  
**To:** <budgetcor...@anglesey.gov.uk>  
**Date:** 24/01/2013 19:47  
**Subject:** Suggestions

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Hello

My list of areas where savings could be made includes

1. Selling off the golf course at Oriel Mon for development. There are plenty of alternate golf courses.
2. Reducing the number of beach wardens or even scrapping them (and the expensive vehicles they use). During wet summer days with very few people at Treath Bychan for instance, wardens sit around all day doing nothing. Scrapping these part time jobs will free up money to keep public toilets open.
3. Installing public waste bins in villages where householders can take garden waste which should be composted on site by anyone with a large garden anyway. Collecting grass cuttings is plain daft. People should be encouraged to stop cutting lawns so often.
4. Stop printing everything in Welsh and English. One version printed in whichever language is most appropriate and the alternative available for download only.
5. Scrap the boat registration scheme. I bet it doesn't even pay for itself.

Now a suggestion for increasing revenue

1 Oriel Mon is the worst advertised gallery/exhibition centre. I had a drawing in the Kyffin Wms exhibition and apart from a small piece on the prize-winner in the local paper, I never saw anything about it in any printed media. We get the Daily Post every day but I don't remember ever seeing the gallery referred to. There is a large room in the building that is very underused. Exhibitions in the corridor do not change often enough. The Ucheldre in Holyhead is better advertised and I would think makes more money.

Finally false economy . this refers to the suggestion of closing public toilets which is the daftest idea and could only have come from a man!

The Welsh Gov. Scheme of giving businesses £500 p.a to provide toilets for the public should be challenged. Only public buildings (village halls etc) should be eligible and they should be clearly signposted. Help should be given to communities to provide toilets that can be opened to the public in their community halls. At the moment the scheme that means a dentist gets £500 a year if he agrees people can use his loo is just nonsensical.

Kind Regards

Cydnabur  
15-1-13

Ruth B. Jones

---

**From:** Gwen Richards  
**Sent:** 14 January 2013 11:22  
**To:** budgetconsultation@anglesey.gov.uk  
**Subject:** Re proposal to close public toilets, especially on blue flag beaches

13

Dear council

I am sure that you are aware that the economy of our island is increasingly dependant on tourism. The blue flag beaches attract both locals and visitors, and many people walk all or part of the anglesey coastal path. Blue flag beaches need "adequate number of toilets" and "a supply of drinking water should be available at the beach."

At my local beach at Llanddona there are no other toilets apart from the public ones, the nearest pubs with toilets are in Llanddona village one mile away up a very steep hill.

If beach toilets are removed, the blue flag beaches would lose their status.

Please rethink your proposal to close public toilets on the island.

Gwen Richards

sent from my iPad

Cydnobud  
15-1-13

Ruth B. Jones

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**From:** Paul Gasson [REDACTED]  
**Sent:** 11 January 2013 15:02  
**To:** budgetconsultation@anglesey.gov.uk

14

**Expires:** 18 January 2013 00:00

Hi,

We are all, of course, aware of the current economic climate and the need for cuts in every aspect of expenditure. I have read of possible cuts to schools, libraries and toilets, to name but 3, but in all the discussions I have never seen the cost of the bilingual policy on the island, any suggestions where economies might be made there or, significantly, how many people actually NEED the bilingual service. The answers to these points would, I am sure, be of great interest to the voters on the island.

Best regards,

Paul R.Gasson MRICS;FCIOB.  
Associated Design  
Chartered Building Surveyors

Mo Blackburn  
11 January 201  
budgetconsultation@anglesey.gov.uk  
Public Toilets

15

The Council considered that toilet facilities are one of the criteria for a Blue Flag beach ? Surely Blue Flag beaches such as Church Bay are essential for the tourist industry - the public toilets there are the only toilets available.

Ruth B. Jones

**From:** Geoffrey Turner  
**Sent:** 13 January 2013  
**To:** budgetconsultation@anglesey.gov.uk  
**Subject:** Budget Consultation 2013 / 14

16

Sir,

I have examined the 'Meeting the Challenges' document and have a number of observations to make.

The document outlines the Council Priorities under the title 'To promote and protect the interests of the island, its citizens and communities'. I therefore find some of the proposals outlined difficult to comprehend as they appear to contradict this statement. I also get the impression that a salami slice approach has been applied to budget reductions and no real strategy has been applied to redesign services to maximise outputs against a reduced budget.

I also fail to reconcile the anticipated reduction in members allowances, which is stated as on page 12 and annotated 'end of intervention / reduction in number of members'. The figure shown is -£20,000 but is it not the case that the number of councillors will reduce from 40 to 30 under the new scheme of 11 wards with 2 or 3 members per ward. If this is the case, the reduction of 10 councillors at a basic allowance of £11,664 should produce an outcome of £116,640 per annum saving. If not how has this figure been derived at.

Also, you propose to close all public toilets on the Island. I recognise that the council has no statutory requirement to provide public toilets, but as the island is tourist centric surely closing the toilets will be counter productive and could result in lower tourists and a reduction in revenue to the island overall. It needs to be recognised that many outlets are already suffering and a further reduction of tourists would make this even worse.

I also find the proposal to increase council tax by 5% unacceptable. The council increased council tax in 2011/12 when many councils froze council tax and nationally the UK Government has prepared the way for councils to freeze council tax again in 2013/14 (for the third year). Why is it that Anglesey County Council feels it can increase the tax each year when others have frozen the tax? Surely this suggests that the council does not respect the position that many residents find themselves in on a flat budget.

The council needs to redesign services to ensure outputs improve against lower budgets and need to look at ways to do this. Other authorities have moved all leisure services to a leisure trust, which is outside of the council. Staff are Tupe'd across and buildings / facilities moved to the trust. The Leisure Trust then runs the services on a profit making basis. I understand that the council is looking at options similar to this by moving facilities to local groups, but I respectfully suggest that there is a better outcome by adopting the leisure trust option.

I also recommend that the council looks at moving all housing stock to a housing trust. I made this suggestion last year and did not receive any feedback on my suggestion. A considerable number of councils have adopted this approach and there is significant benefit to adopting this approach. Housing Trusts have access to funding lines that councils do not have and generally where a Housing Trust is put in place tenants have better homes.

I also suggest that Anglesey County Council should combine its IT / IS department with another local authority. The amount of money shown in the accounts of £1.3M is not really a significant amount for the provision of IT. (I was an Assistant IT Director in a public body, so speak from considerable experience). Perhaps combining with another North Wales Authority would be an option.

Your proposals also indicate that you will not fill vacancies, for example Librarian posts. How will you cope with the gap that this creates. Have you considered implementing Library Volunteers as implemented in other authorities (An example is Trafford Council in Greater Manchester who has successfully implemented volunteers) or other ways to work in other areas as well.



My general observation from reading the document is that it lacks detail and is not well thought out and ends up with the council tax payer picking up a 5% increase.

Yours sincerely,

Geoffrey Turner

Cyfeirnod  
15.1.13

**Ruth B. Jones**

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**From:** lowri vaughan [REDACTED] 17  
**Sent:** 14 January 2013 10:16  
**To:** ymgynghoriadcyllideb@ynysmon.gov.uk  
**Subject:** Adroddiad Cynigion Cychwynol Cyllideb 2013-14 Pwyllgor Gwaith - Atodiad C

Yn yr adran 'Crynodeb Arbedion Arfaethedig' mae na gyfeirnodau ar gyfer pob disgrifiad byr.

Ble mae'r cyfeirnodau hyn? Angen mwy o fanylion penodol ynglyn a'r toriadau unigol er mwyn gallu ymateb yn effeithiol.

Yn Gywir,

L.Vaughan

FAP

✓

# TRANSLATION

17.

**E-mail from:** Lowri Vaughan

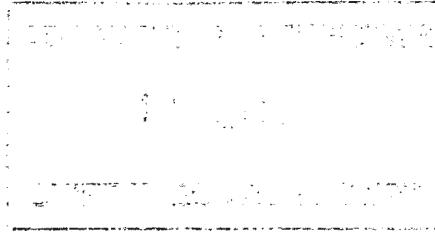
In the section 'Summary of Proposed Savings' there are references for each brief description.

Where are these references? More specific detail required with regard to individual cuts in order to respond effectively.

Yours faithfully,  
L.Vaughan.

Our ref jgk/eac/015  
14 January 2013

Chairman  
Ynys Mon County Council  
Council Offices  
Llangefni  
Ynys Mon



18

Dear Sir

Whilst writing I note that the Council is seeking to reduce its costs – an exercise that is long overdue and necessary. My suggestions:

1. A substantial improvement in the efficiency of elected members and officers.
2. Better and more effective management of and by officers.
3. A reduction of 1% of Council staff in 2013 and again in 2014 with a review of a similar reduction in 2015.
4. A 5-10% reduction in salaries about £30k.
5. No annual increments in salaries above £20k for at least 5 years.
6. Abolishing ALL expenses that are claimed by and paid to elected members.
7. A significant reduction in the Council's 'entertainment budget.

Yours, faithfully

JOHN G. KELCEY

## BUDGET CONSULTATION YMGYHORIAD CYLLIDEB - Meeting the Challenges : Consultation

**From:** KEITH WILLIAMSON [REDACTED]  
**To:** <budgetconsultation@anglesey.gov.uk>  
**Date:** 03/02/2013 23:19  
**Subject:** Meeting the Challenges : Consultation

19

A question please .. page 11 gives savings target of £2,940k yet savings proposals are £3,977k ie proposals greater than target ?

So not all proposals are required ?

Page 8 says "maintaining Leisure budget to allow time for changes to provision .. yet page 14 shows £100k proposal ?

ok, our views :

- 1) Maintain Social service budgets by using savings from Queens Park,
- 2) Maintain Leisure budgets - proven to assist in Health, look at charging Health Authority for services provided, have day clinics at Leisure Centres. Make greater use of the facilities.
- 3) Prioritise growth in Children's service but NOT Energy Island Programme - do we really need countless debates and counter debates on Turbines and Pylons ?! Remember we claim to be an Island of beauty with a priority of promoting Tourism.
- 4) Further assumptions - it was hoped that reducing from 40 members to 30 would have been a saving, however **if** the Councillors accept the 13% offered that saving would be reduced and would also create a greater belief that the Members are not perceived to be working for the good of the Electorate. To accept a 13% rise when numerous others have had a pay freeze or reduction in hours or even lost their jobs on Anglesey is not "seen" as being either supportive nor caring and is likely to further distance them from the electorate. After all, many believe that its the fault of the inability of the 40 to work together, hiring and firing staff with high salaries and being the cause for outside intervention that has made the situation on Anglesey's finances that much worse. Please do not accept the 13% and restore some faith with the Electorate.
- 5) Capital Plan - use of Assets, saddened to see buildings in good state of repair being underused, or not used eg various Primary schools why can facilities not be shared ? The empty classroom / school become a Community Centre / Education centre, the kitchens also used to provide Meals on wheels, schools merged and sold with a % going into the Community to minimise objections to closures.
- 6) Proposed 5% Council Tax increase - unavoidable, but do NOT use it to pay an increased allowance to the Members !
- 7) Other suggestions : staffing costs are the highest cost to the Council, Council wishes to be a part of the Community and restore some faith from the public, why not have a pay reduction on everyone earning greater than £30,000 on a sliding scale ie £30,001 take a 1% reduction = £300, £30,501 take a 1.1% reduction and so on for every additional £500 band increase by 0.1% reduction it should not down-grade anyone to next band but equally again it could be seen as a measure of good intent, that we ARE all in this together. However I strongly suspect that this will be dismissed even though it could be seen as a positive move, a caring supportive role to those members of the public who just see the reductions that effect them, whether it be closed toilets or less day centres.

Please do not just dismiss the observations, but give them some considerations.

With regards

Christine

Mr. J Weston,

Budget Consultation, Anglesey 2013/14

Chief Executives office. An open letter to all.

I have already written to you on the 1st /Feb/2013. However I would like to express a few further points.

1. Highways.

I together with a lot of my neighbours and friends think that there is an over maintenance of the roads on Anglesey, in fact we seem to think it is some what of a joke, to see the same few Contractors doing this work year in and year out, do you go out for competitive National tendering, what is the tendering procedure?

I would suggest that Independent consultants could be hired to see if the sections of the roads do need to be done or not. I am sure that a there is a massive financial saving that could be made in this area.

2. Road signage.

We live on a beautiful Island, but the Island is increasing being blighted by ever increasing rd signage, there seems to be a sign for every occasion often repeated over and over on the same stretch of rd, again people I talk to are dismayed at the visual impact as they go around the Island. This is a National problem, but we need to do our bit to reduce unnecessary signage. There would be a financial saving if this was attended to.

3. Leisure and Swimming pools,

As I have presented in my previous letter to you, we need to create "super state of the art" swimming pools/sporting complexes, these should have walk in pools for the elderly and the ambient temperature and the water should be kept above the minimum temperature, to help the elderly to swim and move in comfort, this would help the young as well. By creating one or two such complexes, there could be huge savings to be made.

You have a difficult job ahead of you to run Anglesey efficiently , but then that is your job, to do it right for the people of Anglesey who rely on you. A weak Management can put up the council taxes up year on year, but to not put them up takes a decisive strong efficient Management.

I do hope you consider the views I have out lined, which are also expressed by local residents, I wish you all well in your decisions. Yours sincerely. John Weston. 3<sup>rd</sup> /Feb/2013.

**BUDGET CONSULTATION YMGYHORIAD CYLLIDEB - Budget Consultation 2013-2014**

**From:** Wayne Jones  
**To:** "budgetconsultation@anglesey.gov.uk" <budgetconsultation@anglesey.gov.uk>  
**Date:** 04/02/2013 14:53  
**Subject:** Budget Consultation 2013-2014

21

In reference to the document issued by Anglesey County Council 'Ynys Mon / The Isle of Anglesey: Meeting the Challenges Budget Consultation 2013/14' I have the following points to make: -

Page 1: COUNCIL PRIORITIES 2012 / 2015

The statement that the councils strategic priorities include an island: -

- which has a thriving and prosperous rural economy;
- where people are proud of their Council.

I would be very interested to know how the council is going to achieve both of these aims, because if I'm honest if the council manage to achieve 1 of these aims in the next 2 years it would be an absolute miracle!!!

Also, the statement on Page 2 a) Current socio/economic challenges and opportunities facing the island, states: -

*'The introduction of the welfare reform changes will bring additional pressures to bear, particularly in areas of **high deprivation**, where there have been **significant job losses** and **unemployment remains high**'*

This statement alone identifies the island as it currently stands, however the council in it's wisdom is proposing a 5% rise in Council Tax. This is an £0.86p a week rise for a Band D house, in reality for me this means an increase of approximately £1.35 a week. It seems to be the answer to every financial problem faced either by this council or the government in general, increase the contributions by the hard working tax payer, who is already on his knees!!! You talk about the vulnerable in society, keep taxing the people, let's see how quickly you manage to achieve a 'thriving and prosperous rural economy' compared to how quickly the whole society is so depleted and desperate that every household is deemed as being vulnerable!!

For the record I am **vehemently opposed** to any rise in the Council Tax rate for Anglesey, which I believe is still one of the most deprived areas of the UK.

Wayne Jones

Monday 4<sup>th</sup> February, 2013

Dear sir/madam,

Last year Anglesey Council increased council tax by 4.5% – the highest rise of any authority in England and Wales.

Now, according to your document “Meeting the Challenges” you propose to increase council tax by “5% each year”.

You say that “The settlement from the Welsh Government means we cannot avoid increasing the Council Tax in 2013/14”. But then go on to say that the Council wants our feedback on the PROPOSED 5% increase in Council Tax.

So which is it? The Council cannot avoid increasing the Council Tax, or the increase is only *proposed* and is subject to consultation with residents?

The Council wants “to avoid, wherever possible, adding to the difficulties already being experienced as a result of the current economic situation”. Exactly how does a Council Tax rise way ahead of inflation achieve this?

Councillors have recently been awarded a highly controversial 13% rise, is their acceptance of this rise an example of how the Council is “Meeting the Challenges”?

You state that you want “to create an Anglesey where people are proud of their Council.” I feel that the Council has a somewhat misguided view of what will instil this pride in the residents it represents.

Getting rid of unnecessary wastage and expenditure is the way forward not treating residents as a cash cow year after year.

I trust you will take my concerns into account and look forward to your reply.

Yours faithfully,

Mr L Woollam ‘



**BUDGET CONSULTATION YMGYHORIAD CYLLIDEB - budget consultation**

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**From:** nigel peacock <  
**To:** "budgetconsultation@anglesey.gov.uk" <budgetconsultation@anglesey.gov.uk>  
**Date:** 04/02/2013 14:42  
**Subject:** budget consultation

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Dear Sir / Madam,

Here are some comments in response to the budget consultation document. I very much hope that they will be taken into account when revising these proposals.

1. Given the desire, stated on p1 of the consultation document, of the Council to create an Anglesey '...where people are proud of their Council', it would seem entirely inappropriate for councillors to accept a 13% increase in their personal payments at a time of staff pay freezes and proposed increases in Council Tax once again ahead of inflation.

Refusing to accept these increases may start to change the image of Anglesey councillors in the minds of the people they purport to serve, perhaps in the longer term reaching a situation where words like 'corrupt', 'incompetent' and 'scum' are no longer used by Anglesey residents to describe Anglesey Councillors. It would also save some money (approximately £63,000 if the reports in the press are accurate?).

2. If you have to raise parking charges, please do not do so without considering the effects of the increases. For example, charging for parking at Coed Cynrol in Menai Bridge has just diverted people wanting to go for walks on Ynys Tudwal and the Belgian Prom into using Waitrose Car Park, thereby making it more difficult to go shopping, increasing to possibility of accidents in the overcrowded Waitrose car park, and perhaps discouraging Waitrose shoppers and thereby diverting Anglesey trade back over the bridge to Bangor Tesco.

Similarly, charging to park at the Health Centre in Beaumaris has just diverted people back onto the streets of the already-overcrowded Beaumaris.

Car parking charges in these locations should be removed.

3. Most of the costs of Anglesey Council related to staff costs. In almost any admin job, there is at least 10% of the job that doesn't actually need doing, or could be done by someone on a lower grade than the post-holder. I suggest that, if it is not already in place, a policy allowing any members of staff who would be happy to take additional leave, perhaps to have Friday afternoons and/or Monday mornings off, to have say 10 'duvet days' per year without these being counted as sick leave, or to

have an additional couple of weeks holiday, should be allowed to do so, provided this is unpaid and they identify the 10% of their role that doesn't actually need doing.

For senior managers - perhaps anyone being paid over £50,000 per year, this '10% unpaid leave' policy should be made compulsory. Senior managers should be competent enough to identify at least 10% of their job that could be done by someone on a lower salary.

4. Given the considerable public opposition to wind turbine developments on the island, and the cost to the Council in responding to proposals for turbine developments, perhaps the Council should introduce a minimum fee, to be charged to the developer, for submitting wind turbine applications. Perhaps a non-refundable fee of say £10,000 for a small turbine application up to £100,000 for a large turbine application would be appropriate. This fee would discourage speculative wind-turbine applications whilst raising revenue for the Council from more-realistic applications.

5. Councils in England cannot raise council tax by more than 2% without holding a local referendum. Although this is not required in Wales, it does seem inappropriate that electors in England should have a choice denied to electors in Wales. The increase in Council Tax should therefore be kept below 2% or Anglesey should arrange a local referendum on the increase and abide by the result.

I hope these comments are helpful.

Best wishes,

Nigel Peacock

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**Medrwn Môn**  
**Neuadd y Dref / Town Hall**  
**Sgwâr Bulkeley Square**  
**LLANGFNI**  
**Ynys Môn LL77 7LR**

☎ 01248 724944 ☎ 01248 750149  
✉ post@medrwnmon.org www.medrwnmon.org

Rhif Elusen/Charity Number: 1088828  
Rhif Cwmni/Company Number: 4197934

Cefnogi Gwirfoddolwyr,  
Grwpiau Gwirfoddol a  
Chymunedol ar Ynys Môn  
Supporting Volunteers,  
Voluntary and  
Community Groups on Anglesey

Gadeirydd / Chair: Dilys Shaw  
Prif Swyddog / Chief Officer: John R Jones  
Dirprwy Prif Swyddog / Deputy Chief Officer: Sian C Purcell

CYLLIDEBCSYM010213JRJ/LJ

1 Chwefror / February 2013

Cynghorydd Bryan Owen  
Arweinydd Cyngor Sir Ynys Môn  
Swyddfeydd y Cyngor  
LLANGFNI  
Ynys Môn  
LL77 7TW

Annwyl Syr /Fadam

Dear Sir / Madam

Diolch am y cyfle i roi sylw i Gyllideb Cyngor Sir Ynys Môn 2013- 2014. Derbyniwch y llythyr hwn fel ymateb i'r Datganiad Cyllideb Cychwynnol a'r Ymgynghoriad. Bydd ymateb pellach unwaith y cyhoeddir manylion y toriadau yn arbennig yn yr Adran Gymuned. Mae'n amlwg fod sefyllfa ariannol y Cyngor Sir yn ddifrifol a bod rhaid gwneud penderfyniadau anodd - rhai ariannol a rhai gweithredol. Bydd yr ymateb yma i'r gyllideb yn ailadrodd llawer o'r sylwadau'r llynedd a gobeithio iddynt dderbyn gwell ystyriaeth.

Thank you for the opportunity to comment on the Anglesey County Council Budget 2013 – 2014. Please accept this letter as a response to the Preliminary Budget Statement and Consultation. There will be a further response once the details of the cuts are announced, especially in the Community Department. It is evident that the County Council's financial situation is serious and that difficult decisions have to be made – some financial and some operational. This response to the budget will reiterate many of last year's comments and it is hoped that they will receive better consideration.

Fel yr ydych yn ymwybodol Medrwn Môn yw'r Cyngor Gwirfoddol Sirol ar Ynys Môn gydag aelodaeth o dros 300 o fudiadau ac mewn cyswllt a thros 800 o gyrff gwirfoddol ar Ynys.

As you are aware Medrwn Môn is the County Voluntary Council on Anglesey with a membership of over 300 organisations and in contact with over 800 voluntary organisations on the Island.

Y llynedd amlygwyd gwendidau amlwg yn y modd y cyflwynwyd penderfyniadau ynglŷn ag arbedion y Cyngor i'r sector - diffyg

Last year obvious weaknesses were highlighted in the way decisions were presented regarding the Council's cuts to the sector – lack of direct



**ARIENNIR GAN Y LOTERI**  
**LOTTERY FUNDED**



cyfathrebu uniongyrchol, camargraff o'r modd o gyrraedd arbedion, penderfyniad gweithredol hwyr iawn ym mis Mai, dim cyfle i herio'r penderfyniad. Eleni mae rhaid osgoi hyn. Ni ddilynwyd argymhellion y Cod Cyllido ynglŷn â rhybudd digonol o'r penderfyniad gweithredol. Yn lle penderfyniad gweithredol beth am ddialog?

Mae'n debyg mae arian craidd Adran Gymuned i'r sector gwirfoddol sydd dan fygythiad unwaith eto oherwydd nid oes linell gyllideb i'r sector wirfoddol yn unman arall yn y Gyllideb. Beth yw safbwynt corfforaethol y Cyngor ynglŷn â buddsoddiadau yn y sector wirfoddol - mae'n debyg bod adrannau eraill o'r Cyngor gyda pherthynas gyllidol a'r sector wirfoddol?

Nid yw'r sector wedi osgoi toriadau ym muddsoddiadau'r Cyngor ers nifer o flynyddoedd - y tair blynedd diwethaf - 5%, 5%, 8%. Ond ar ben hynny ni dderbyniwyd codiadau chwyddiannol ac wrth gwrs mae hyn yn lluosio'r golled i'r sector. Hefyd erydwyd hyd y cytundebau lefel gwasanaeth gydag ychydig iawn yn fwy na blwyddyn erbyn hyn - sut mae ymddiriedolwyr a gweithwyr yn cynllunio gwasanaethau i unigolion bregus a sut mae perswadio cyllidwyr allanol i fuddsoddi yn yr hinsawdd hon.

Mae yna ymwybyddiaeth o'r gwaith enfawr o ail-fodelu gwasanaethau gan yr Adran Gymuned a chroesawir y datganiadau yn caniatáu arian trawsnewid gwasanaethau yn 2013-14 ac amddiffyn gofal cymdeithasol - oes modd esbonio hyn yng ngoleuni'r arbedion i'r sector. Mae'r sector yn gyfarwydd ag arbedion effeithiolrwydd a fynnwyd gan y Cyngor dros nifer o flynyddoedd ac wedi ymateb. Gofynnir i'r Cyngor drafod yn llawn a diduedd gyda'r sector wrth edrych ar 'cyfleoedd i ddarparu'r gwasanaethau yn wahanol; all sefydliadau eraill gynorthwyo i'w darparu'.

£74,000 (i gymharu â £33,000 y llynedd) yw'r arian a ddynodir fel arbedion gan yr Adran Gymuned - y trydydd arbediad mwyaf yn gyllideb yr adran! Gofynnwn i chwi drafod yr arbedion gyda deiliad y

communication, a misunderstanding of the way of achieving savings, a very late executive decision in May, no opportunity to challenge the decision. This year this must be avoided. The recommendations of the Funding Code regarding an adequate notice of the executive decision were not followed. What about dialogue instead of an executive decision?

It is likely that the Community Department's core funding to the sector is under threat once again because there is no budget line for the voluntary sector anywhere else in the Budget. What is the Council's corporate perspective regarding investments in the voluntary sector - it is likely that other departments in the Council have a financial relationship with the voluntary sector? It seems that the same organisations are cut annually.

The sector has not avoided cuts in the Council's investments for many years - the last three years - 5%, 5%, 8%. But on top of this no inflationary increases were received and of course this is multiplying the losses to the sector. Also, the length of service level agreements have been eroded with very few more than a year - how can trustees and staff plan services to vulnerable individuals and how can we persuade external funders to invest in this climate.

There is an awareness of the vast work of remodelling services by the Community Department and the declarations allowing finance to transform services in 2013 - 2014 and protecting social care - is there a way to explain this in light of cuts to the sector. The sector is familiar with efficiency savings demanded by the Council over many years and have responded. The Council is asked to discuss fully and impartially with the sector when looking at 'opportunities to provide services differently; Can other organisations assist to provide them'.

£74,000 (compared to £33,000 last year) is the sum designated as cuts by the Community Department - the third largest heading in the department's budget! We ask you to discuss the cuts with the service level agreement

cytundebau ac erfyniwn ar unrhyw benderfyniad i beidio bod yn un gweithredol. Nid yw'r sector yn rhan o drefniadau sgrwtini'r Cyngor eto ac felly mae cyfle arall wedi'i gollu i feithrin dialog amlochrog. Oes yna esboniad ar sut y penderfynwyd ar y swm o £74,000 - dulliau monitro cadarn diduedd, diffyg perfformiad, asesiad effaith (gan gynnwys asesiad effaith cydraddoldeb) neu dim ond toriadau cyffredinol?

Mewn llythyr gan y Gyfarwyddwraig Gymuned i ddeiliaid cytundebau lefel gwasanaeth, dyddiedig 18 Rhagfyr 2012, mae yna son am 'adolygu'r trefniadau comisiynu ac is-adeiladwaith o ddarpariaeth arbedol'. Pryd fydd trafodaeth ynglŷn â hyn gyda'r sector?

Tybiaf fod perthynas y sector wirfoddol yn bwysig i'r Cyngor ac i'r modd y darperir gwasanaethau i'r dyfodol. Felly mae angen arweiniad buan iddynt ynglŷn ar sefyllfa gyllidol a'r rôl a rhagwelir iddynt yn nhrawsnewid gwasanaethau'r Cyngor Sir ac yn y Bwrdd Gwasanaeth Lleol.

holders and we ask that any decision made should not to be an executive one. The sector is not yet a part of the Council's scrutiny arrangements and therefore another opportunity has been lost to foster a multilateral dialogue. Is there an explanation on how the sum of £74,000 has been decided – strong impartial monitoring mechanisms, non-performance, an impact assessment (including an equality impact assessment) or is it just general cuts.

In a letter dated 18 December 2012 from the Community Director to holders of service level agreements, there is mention of 'reviewing commissioning arrangements and infrastructure of preventative provision'. What is happening with regard to this statement?

I believe that the voluntary sector's relationship is important to the Council and to the provision of future services. Therefore they require early guidance regarding the financial situation and the role envisaged for them in transforming the County Council's services and in the Local Service Board.

Yn gywir / Yours sincerely



JOHN R JONES  
PRIF SWYDDOG / CHIEF OFFICER  
MEDRWN MÔN

c.c. Gwen Carrington, Cyfarwyddwraig Cymuned  
Ken Hughes, Deilydd Portffolio Cymuned  
John Chorlton, Deilydd Portffolio Cyllid  
Richard Parry Jones, Prif Weithredwr

----- Forwarded Message

**From:** ROGER WRIGHT

**To:** "www.budgetconsultation@anglesey.gov.uk" <www.budgetconsultation@anglesey.gov.uk>

**Sent:** Sunday, 3 February 2013, 10:00

**Subject:** BUDGET CONSULTATION

Hello,

May I add my input to the Budget Consultation.

1. Maintain the leisure budget while you consider changing the structure of the leisure centers BUT in the interim INCREASE the charges for O.A.P's to attend. O.A.P's should be charged at least DOUBLE what they are currently charged.

2, Efficiency savings:

a. Charge O.A.P's 20 pence for each bus journey . Nothing in life should be FREE or people will not appreciate it.

b. Be more ruthless in cutting out bus services that run on Sundays for instance those that have no one on them or very few. I often see empty buses around Llandegfan, Llangoed, Penmon etc.

c. Reduce the number of Councillors again. We really do need less. Residents can provide input to the Council by letter, phone , E Mail, text etc OR even hop on a bus to Llangefni for face to face with Council officials. Run more surveys on topics you want to establish what we the residents want. Be like the Swiss and Austrian local governments that are always having referendums on what people want.

Thanks you.

Regards

Roger Wright

**BUDGET CONSULTATION YMGYHORIAD CYLLIDEB - budget consultation**

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**From:** "richard fisher" [REDACTED]  
**To:** <budgetconsultation@angelsey.gov.uk>  
**Date:** 05/02/2013 17:24  
**Subject:** budget consultation

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I realise that this response is just outside your deadline, please accept my apologies. Nevertheless I hope that you will be able to take my response into account going forward:-

The draft document outlines the severe restraints to budgets over the next 3 years. The residents of Angelsey have to live within their means with their financial resource under pressure from all angles. I feel it is time the council cut its cloth accordingly and did not rely on above inflation council tax rises in order to balance its books. I hear from the media that any increase above 3% needs to be sanctioned through referendum. Is this the case and if so do you have this sanction?

I am not aware of the precise detail behind the proposed savings outlined in the appendix to the consultation report. However I believe Angelsey is one of the smallest if not the smallest county council in Wales and also England for that matter. I think economies of scale may help to deliver bigger savings than those identified in the consultation exercise if the council were to be merged with neighbouring Gwynedd CC.

Richard Fisher



GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd Prifysgol  
Betsi Cadwaladr  
University Health Board

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To whom it may concern:

[budgetconsultation@angelsey.gov.uk](mailto:budgetconsultation@angelsey.gov.uk)

Ein cyf / Our ref: MB/CJ/380

Eich cyf / Your ref:

☎: 01248 384910

Gofynnwch am / Ask for: Mary Burrows

Ffacs / Fax: 01248 384937

E-bost / Email: [mary.burrows@wales.nhs.uk](mailto:mary.burrows@wales.nhs.uk)

Dyddiad / Date: 5 February 2013

## RE: MEETING THE CHALLENGES – BUDGET CONSULTATION 2013/14

Thank you for the opportunity to comment on the broad budget proposals for Anglesey County Council outlined in your Consultation Document.

Like ourselves, Local Authorities are facing particularly difficult financial challenges and are looking for significant cost savings which inevitably will result in some reduction in service provision or changes to the way services are delivered.

Where our services interlink and we need to ensure seamless delivery, we must continue to endeavour to work closely together to ensure that any impact on services and our population is understood and best managed.

Of particular concern are your proposals to reduce Social Services budgets, and it would be extremely helpful if you could ensure close working between your officers and our Locality GP lead and Matron to further understand the detail of these proposals. The words in the Consultation Document in terms of Social Services do not seem to match the figures. On Page 8 you ask for feedback on increasing the Social Services budget so as to avoid major cuts to current activity levels. However, the analysis of savings on Page 14 shows £812,000 worth of proposed savings, with £84,000 worth of developments to the wider programme including Social Services?

The biggest element of savings is £500,000 on Rationalisation/Transformation of Adult Services Commissioning/General Review of Provider Services costs. We would seek further clarity about what the savings are and how they might impact on the provision of health and social care services for the population as well as on the Health Board costs and service models. We have particular concerns regarding delayed transfers of care from hospitals and our ability to further progress a joint approach to the delivery of community services through the Locality Leadership Team. In addition, as we have a regional commissioning hub for high cost packages of care and an agreed fees setting model for residential care it is important to understand what level of savings are envisaged from external commissioning and the potential impact on local independent market.





**GIG**  
CYMRU  
**NHS**  
WALES

Bwrdd Iechyd Prifysgol  
Betsi Cadwaladr  
University Health Board

With regards to the proposals to save £74,000 on Voluntary Sector SLA costs, it would be interesting to know what % of the baseline this represents and what criteria has used to decide on the reduction. The Health Board would also need to be aware if this is a reduction across all SLAs or whether you are proposing to cease some contracts. It may be that we also contribute to some of these SLAs and there could be opportunities to create efficiencies jointly. There may also be a need to maintain the balance of funding evenly between the Health Board and Social Services.

Again it would be very helpful if plans to reduce seven bus services do proceed, saving £190k per annum, that the Locality Team is involved with the detail at an early stage so that we can understand how these changes may impact on people's ability to access primary and secondary health services. It would also be helpful to know if there is any planned reduction in funding to Community Transport providers on the island as they currently provide very good support for residents accessing health services.

With regards to budget proposals for increasing charges for leisure services we have concerns about the unintended impact on people accessing leisure opportunities, which could reduce usage and benefits of services, meaning a lessened health impact and increased budget deficit in leisure services. We would like to propose that consideration is given to ways of supporting more people to access leisure services to increase revenue income as well as the added health benefits. Taken in tandem with other reductions in leisure services your proposals may result in a poorer quality and more expensive service.

I trust these comments are useful and would wish to emphasise the importance of continued close working, particularly during these difficult economic times, to ensure we can deliver the best services possible across both sectors.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Mary Burrows'.

**MARY BURROWS**  
**CHIEF EXECUTIVE**

cc Dr Andrew Jones  
Dr Steve MacVicar

**Cyngor Cymuned PENTRAETH Community Council.**

***Clerc / Clerk : Eifion H. Jones, Felin Bryn Hyrddin, Pentraeth, Ynys Môn. LL75 8HJ  
Ffôn / Tel. 01248 450360***

***e-bost / e-mail cyngor.pentraeth.council@hotmail.co.uk***

***Fy nghyf. / My ref.***

***Eich Cyf. / Your ref.***

***Dyddiad / Date***

CYLL/1-13

1af Chwefror 2013.

Y Cyng. Bryan Owen,  
Arweinydd y Cyngor,  
Cyngor Sir Ynys Môn,  
Swyddfa'r Sir,  
LLANGFNI,  
Ynys Môn.  
LL77 7TW

Annwyl Syr,

**Par. - Cwrdd â'r Heriau Y Gyllideb 2013 – 2014**

Cyfeiriaf at eich llythyr, dyddiedig 11eg Ionawr 2013, ynghyd a'r ddogfen ymgynghorol "Cwrdd â'r Heriau".

Dyma sylwadau Cyngor Cymuned Pentraeth ar y cyfryw.

1. Pryder y Cyngor Cymuned yw nad oes digon o amser yn cael ei ganiatáu i wir astudio'r ddogfen.
2. Nid oes eglurhad llawn i ble mae'r arian yn mynd na chynnwys y gyllideb bresennol yn erbyn perfformiad presennol.
3. Er bod rhai o'r manylion wedi eu mabwysiadu mae'r Aelodau yn teimlo ei fod yn bwysig cynnwys y ddogfen yn cael ei hanelu at y rhai sy'n gyfrifol am reoli ariannol yn y Cyngor Sir.
4. Mae Adran Cymunedau a Llywodraeth Leol Llywodraeth Cymru wedi darparu canllaw o "50 o Ffyrdd i Safio" - dyma rai ohonynt. *Efallai bod rhai o'r canlynol yn cael ei gweithredu yn barod.*
5. Cyfuno gwasanaethau swyddfa gefn gyda chostau rheoli.
6. Torri ar wastraff.
7. Mynd i'r afael ar dyblygu taliadau.
8. Torri i lawr ar gardiau talu corfforaethol.
9. Mynd i'r afael a thwyll.
10. Ceisio ad-daliad gan twyll budd-daliadau.
11. Ceisio 'mwy am lai' drwy gyd brynu ar y cyd â Chynghorau eraill.
12. Rheolaeth well ar dir ac eiddo.
13. Cwtogi ar gyrsiau a seminarau mewn gwestai moethus.
14. Cynadleddau fidio yn lle trafaelio.

/trosodd

# TRANSLATION

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**Correspondence from:** Pentraeth Community Council

**Dated:** 1.02.13

Dear Sir,

## **RE: MEETING THE BUDGET CHALLENGES 2013-14**

I refer to your letter dated 11 January 2013 and the consultation document "Meeting the Challenges".

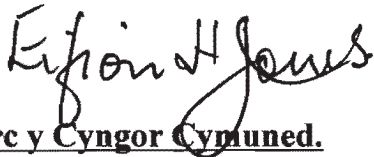
These are the observations of Pentraeth Community Council:

1. The Community Council is concerned that not enough time is being allowed to properly scrutinise the document.
2. There is no full explanation of where the money is going or the contents of the current budget against current performance???
3. Although some of the details have been adopted, the Members feel that it is important that the contents of the document are aimed towards those responsible for financial management in the County Council????
4. The Communities and Local Government Department of the Welsh Government has provided guidelines on "50 Ways to Save" – these are some of them. *Some of the following may be being implemented already.*
5. Combine back office services and management costs.???
6. Cutting waste.
7. Addressing duplication of payments.
8. Cutting down on corporate charge cards
9. Addressing fraud
10. Recovering fraudulent benefit payments.
11. 'More with less' by means of joint procurement with other Councils.
12. Better management of land and property.
13. Cutting down on courses and seminars in luxurious hotels.
14. Video conferencing rather than travel.
15. Cutting printing costs
16. Reduction in 1<sup>st</sup> class travel
17. Opening a coffee shop or installing a coffee machine in the libraries.
18. Freezing Councillors' allowances and ending their pensions.
19. Cutting expenditure on colourful brochures.
20. Leasing out art work that is not being exhibited.

**Eifion H.Jones,**  
**Clerk to the Community Council**

15. Torri ar gostau argraffu.
16. Lleihad ar drafaelio dosbarth cyntaf.
17. Agor siop goffi neu osod peiriant coffi yn y llyfrgelloedd.
18. Rhewi lwfansau Cynghorwyr a rhoi diwedd ar eu pensiynau.
19. Torri ar wariant ar lyfrynnau lliwgar.
20. Rhoi gwaith celfydd, nad ydynt yn cael eu harddangos, a'r les.

Yr eiddoch yn gywir,



Clerc y Cyngor Cymuned.

**Cofnodion Drafft Fforwm Ysgolion a gynhaliwyd dydd Llun 4 Chwefror  
2013 yn Siambr Cyngor Sir Ynys Môn, Llangefni**

Presennol: Cyng. Goronwy Parry - Deilydd Portffolio Addysg (Cadeirydd)  
 Cyng John Chorlton – Deilydd Portffolio Cyllid  
 Mrs Anwen Morgan- Pennaeth Ysgol Uwchradd Bodedern  
 Dr Brian Jones – Pennaeth Ysgol David Hughes  
 Mr Owen M Thomas – Pennaeth Ysgol Gynradd  
 Mr Jac Jones – Llywodraethwr Ysgol Uwchradd  
 Mr Ian Owen – Llywodraethwr Ysgol Gynradd  
 Mrs Olwen D Williams – Llywodraethwr Uwchradd  
 Mr Andreas Huws – Pennaeth Ysgol Y Bont  
 Mr Sion Williams - Cynrychiolydd Fforwm Undebau  
 Mrs Margaret Williams Owen – Adran Addysg (Cofnodi)  
 Mrs Bethan Owen - Cyfrifydd Grŵp Addysg  
 Ms Gill Lewis – Swyddog 151  
 Ms Clare Williams – Pennaeth Gwasanaeth-Adnoddau  
 Dr Gwynne Jones – Gyfarwyddwr Dysgu Gydol Oes

**Ymddiheuriadau:**

Mr Gwyn Parri, Pennaeth Gwasanaeth Addysg  
 Mrs Mary LI Hughes – Llywodraethwr Cynradd  
 Mr Gareth Hughes – Pennaeth Ysgol Y Borth  
 Miss Ann Roberts – Pennaeth Cynradd  
 Mr H Emyr Williams – Pennaeth Ysgol Syr Thomas Jones

**Sylwebyddion:**

Mr Jim Saxon - NUT  
 Mr Ken Jones – Llywodraethwr Ysgol Parc y Bont  
 Mr Neil Tuck – Llywodraethwr Ysgol Uwchradd Caergybi  
 Mrs Anne Williams – Llywodraethwr Ysgol Y Ffridd  
 Mrs Rhian Mair Jones – Ysgol Syr Thomas Jones  
 Mr Haydn Davies – Ysgol Gyfun Llangefni  
 Mr Martin Wise - Ysgol Uwchradd Caergybi  
 Mr Sean Snappe – Llywodraethwr Ysgol Y Bont  
 Mrs Joanne Ellis – Llywodraethwr Ysgol Llanfawr  
 Parch Harri Owain Jones – Llywodraethwr Ysgol David Hughes  
 Cyng Peter Rogers – Llywodraethwyr Ysgolion Niwbwrch/Dwyran

**1. Croeso ac Ymddiheuriadau**

Croesawyd pawb i'r cyfarfod gan Y Cadeirydd, Cyng Goronwy Parry. Croesawodd Ms Clare Williams, Pennaeth Gwasanaeth Adnoddau, i'w chyfarfod cyntaf. Dymunodd yn dda i Ysgol Syr Thomas Jones sydd yn dathlu 60 mlynedd ers ei sefydlu eleni.

**2. Datganiad o ddiddordeb**

Yn unol â chanllawiau Cylchlythyr Cynulliad Cymru ar Fforymau Ysgolion gofynnwyd i aelodau'r Fforwm ddatgan unrhyw gysylltiad lle bo'n berthnasol er mwyn osgoi achosion o wrthdaro buddiannau yn nhrefodaethau'r Fforwm. Os bydd sefyllfa unrhyw un o'r aelodau'n newid yn ystod eu cyfnod ar y Fforwm gofynnwyd iddynt adael i'r Cadeirydd wybod cyn gynted ac y bo modd.

**Draft Minutes of the Schools Forum held on Monday 4 February 2013  
in the Anglesey County Council Chamber, Llangefni**

Present: Coun. Goronwy Parry – Education Portfolio Holder (Chairman)  
Coun. John Chorlton – Finance Portfolio Holder  
Mrs Anwen Morgan - Head Teacher, Ysgol Uwchradd Bodedern  
Dr Brian Jones – Head Teacher, Ysgol David Hughes  
Mr Owen M Thomas – Primary School Head Teacher  
Mr Jac Jones – Secondary School Governor  
Mr Ian Owen – Primary School Governor  
Mrs Olwen D Williams – Secondary School Governor  
Mr Andreas Huws – Head Teacher, Ysgol y Bont  
Mr Sion Williams - Union Forum Representative  
Mrs Margaret Williams Owen – Education Department (Minutes)  
Mrs Bethan Owen – Education Group Accountant  
Ms Gill Lewis – 151 Officer  
Ms Clare Williams – Head of Service (Resources)  
Dr Gwynne Jones – Director of Lifelong Learning

Apologies: Mr Gwyn Parri, Head of the Education Service  
Mrs Mary LI Hughes – Primary Head Teacher  
Mr Gareth Hughes – Head Teacher, Ysgol y Borth  
Miss Ann Roberts – Primary Head Teacher  
Mr H Emyr Williams – Head Teacher, Ysgol Syr Thomas Jones

Observers: Mr Jim Saxon - NUT  
Mr Ken Jones – Governor, Ysgol Parc y Bont  
Mr Neil Tuck – Governor, Ysgol Uwchradd Caergybi  
Mrs Anne Williams – Governor, Ysgol y Ffridd  
Mrs Rhian Mair Jones – Ysgol Syr Thomas Jones  
Mr Haydn Davies – Ysgol Gyfun Llangefni  
Mr Martin Wise - Ysgol Uwchradd Caergybi  
Mr Sean Snappe – Governor, Ysgol y Bont  
Mrs Joanne Ellis – Governor, Ysgol Llanfawr  
Rev. Harri Owain Jones – Governor, Ysgol David Hughes  
Coun. Peter Rogers – Governors of Niwbwrch/Dwyran Schools

**1. Welcome and Apologies**

The Chairman, Coun. Goronwy Parry, welcomed everyone to the meeting. He welcomed Ms Clare Williams, Head of Service (Resources) to her first meeting. He expressed best wishes to Ysgol Syr Thomas Jones, who were that year celebrating the 60<sup>th</sup> anniversary of their establishment.

**2. Declarations of Interest**

In accordance with the Welsh Government’s Circular on school Forums, the Forum’s members were asked to declare any connection where relevant, in order to avoid cases of clashing interests in the Forum’s discussions. If any member’s situation changed during their time on the forum, they were asked to inform the Chairman as soon as possible.

Ni fynegodd unrhyw un fod ganddo/ganddi unrhyw gysylltiad a fyddai'n berthnasol i'r Fforwm.

### **3. Cofnodion cyfarfod 5 Rhagfyr 2012 a materion yn codi.**

Nodwyd fod trafodaeth ar gyfansoddiad y Fforwm ac ar y gorwariant integreiddio ar yr agenda.

Cafwyd y cofnodion yn gofnod cywir o'r cyfarfod.

### **4. Ymgynghoriad ar Gyllideb 2013/14**

Eglurodd Cyng J Chorlton fod Cyngor Sir Ynys Môn wedi bod yn ymgynghori ar Gyllideb 2013/14 dros yr wythnosau diwethaf a bod cyfle heno i'r Fforwm fynegi eu barn/sylwadau. Cafwyd trosolwg o'r prif bwyntiau sydd yn yr ymgynghoriad gan Gill Lewis, gan roi sylw penodol i'r sector Addysg. Nodwyd y sylwadau isod:

- Proses anodd gan fod Môn yn sir fach felly nid yw'r dyraniad yn rhoi llawer o le i addasu
- Bydd angen i'r Cyngor wneud arbedion effeithiolrwydd tan oliaf 2017/18
- Angen darganfod arbedion effeithiolrwydd o £10m dros y 3 mlynedd nesaf
- Cynghorwyr wedi parchu blaenoriaethau Llywodraeth Cymru i ddiogelu ysgolion (+2.08% i ysgolion)
- Gwasanaeth Addysg (dim ysgolion) wedi gorfod cyfrannu tuag at y lefel o arbedion effeithiolrwydd a darganfod arbedion o £279k – rhagwelir y bydd £28k yn dod allan o'r Gwasanaeth leuenctid
- Gorwariant sylweddol yng nghyllideb Addysg ar ddiwedd chwarter 3 yn 2012/13 ac o ganlyniad bydd yn wynebu'r sialens o unioni'r gyllideb wrth fynd i mewn i gyllideb 2013/14
- Cyngor Sir llawn i ddod i benderfyniad terfynol ar gyllideb 2013/14 ym mis Mawrth 2013.

Diolchodd y Cadeirydd am y cyflwyniad uchod ac agorwyd y drafodaeth:

Mewn perthynas â'r "deisen fawr", dim ond 63% o'r cyllid sydd wedi cael ei glustnodi ar gyfer ysgolion yn ôl adroddiad Estyn. Fydd hyn yn wir eleni? Fyddai'n bosibl cael eglurhad i le aeth yr 20% arall gan fod Llywodraeth Cymru yn dweud fod angen clustnodi 80% i ysgolion? Roedd hyn yn un ffactor pam fod rhai ysgolion wedi gorfod diswyddo staff.

Eglurodd Gwynne Jones fod y sylw yn adroddiad Estyn yn cyfeirio at y flwyddyn flaenorol. Yn ystod y flwyddyn ariannol 2012/13 roedd y lefel tua 80% sydd yn cyrraedd y targed mae Llywodraeth Cymru yn ei osod. Fe fudd y Cyngor yn dilyn canllawiau'r Llywodraeth i'r dyfodol mewn perthynas â hyn.

I ble aeth yr arian ychwanegol? Petai'r arian wedi mynd i'r ysgolion ni fyddai wedi bod rhaid diswyddo staff, byddai maint y dosbarthiadau'n llai ac o ganlyniad yr addysg yn well.

Noddodd GJ fod diswyddo staff yn cymryd lle er mwyn ymateb i faterion demograffeg yr ysgolion eu hunain. Eglurodd fod arian AAY yn cael ei ddatganoli i'r ysgolion ac o ganlyniad mae cyfrifoldebau yn cael eu rhoi ar yr ysgolion. Ond mae cyfyngiadau ar beth ellir ei wneud efo'r arian a ni ellir ei ddefnyddio i arbed swyddi athrawon.

None of those present stated they had any connection relevant to the Forum.

### **3. Minutes of the meeting of 5<sup>th</sup> December 2012 and matters arising**

It was noted that discussion of the Forum's constitution and the integration overspending were on the agenda.

The minutes were found to be an accurate record of the meeting.

### **4. Consultation on the 2013/14 Budget**

Coun. J Chorlton explained that Anglesey County Council had been consulting on the 2013/14 budget over the previous weeks and there was an opportunity that evening for the Forum to give their views/comments. Gill Lewis gave an overview of the main points in the consultation, paying specific attention to the Education sector. The comments below were noted:

- It was a difficult process because Anglesey was a small county and therefore the allocation did not allow much room for adaptation
- The Council would need to make efficiency savings until at least 2017/18
- Efficiency savings of £10m needed to be found over the next 3 years
- Councillors had respected the priorities of the Welsh Government by safeguarding schools (+2.08% for schools)
- The Education Service (not schools) had had to contribute to the level of efficiency savings and find savings of £279k – it was foreseen that £28k would come out of the Youth Service
- There was substantial over expenditure in the Education budget at the end of the 3<sup>rd</sup> quarter in 2012/13 and as a result it would face the challenge of rectifying the budget when entering into the 2013/14 budget
- The full County Council would come to a final decision on the 2013/14 budget in March 2013.

The Chairman expressed thanks for the above presentation and the debate was opened:

Regarding the 'big cake', only 63% of the funding was earmarked for schools according to the Estyn report. Would the same be happening that year? Could an explanation be provided of where the other 20% had gone, since the Welsh Government said that 80% needed to be allocated to schools? This was one factor why some schools had to make staff redundant.

Gwynne Jones explained that the comment in the Estyn report referred to the previous year. During the 2012/13 financial year the level was about 80%, which reached the target set by the Welsh Government. The Council would follow the Government guidelines in future in relation to this.

Where did the additional money go? If the money had gone to schools there would have been no need to sack staff, class sizes would be smaller and as a result education would be better.

GJ noted that staff were being made redundant in order to respond to demographic matters in the schools themselves. It was explained that ALN money was being delegated to the schools and as a result responsibilities were being placed on the schools. But there were limits to



## **5. Ysgolion cynradd mewn diffyg/ Cyllideb Integreiddio**

### **i) Ysgolion cynradd mewn diffyg**

Cafwyd trosolwg o'r sefyllfa gyfredol gan GL a nododd y pwyntiau isod:

- Nifer o'r ysgolion sydd mewn diffyg wedi cynyddu
- 12 ysgol gynradd eleni ac mae'r diffyg yn fwy na £15k mewn 5 o'r ysgolion
- 2 ysgol uwchradd mewn diffyg
- Cyfarfodydd wedi eu trefnu ac mae'r 12 ysgol wedi bod yn trafod eu sefyllfa efo'r swyddogion perthnasol
- Cyfrifydd Addysg yn gweithio efo'r Swyddogion Addysg i geisio gweld sut gellir cael trefn o gydweithio efo'r ysgolion
- Pwysig cofio na chaiff ysgolion fynd i ddiffyg heb ganiatâd Swyddog 151

Ategwyd y pwyntiau isod gan GJ:

- Adroddiad wedi mynd i'r Pwyllgor Scriwtini diwedd 2012 (i'w weld ar safle we'r Cyngor Sir)
- Diffyg yn amrywio o £2k i £60k yn y cynradd yn unig
- Ysgolion sydd mewn diffyg yn gorfod cael cynllun adfer yn ei le
- Ffurflen bwrpasol wedi cael ei llunio (trafodwyd yn y cyfarfod diwethaf) ac mae'r Swyddogion wedi cyfarfod efo'r 12 ysgol gyda chais iddynt drafod y mater/ffurflen efo'u Llywodraethwyr
- Trafodaethau yn mynd rhagddynt efo'r 2 ysgol uwchradd er mwyn cael cynllun adfer yn ei le

### **ii) Integreiddio**

Cafwyd trosolwg gan Bethan Owen, Cyfrifydd Addysg, o'r sefyllfa gyfredol mewn perthynas â'r gyllideb integreiddio:

- Cynnydd o dros £700K yng ngorwariant integreiddio rhwng 2006 a 2011
- Blwyddyn ariannol 2012/13 (hyd yn hyn)
  - Gorwariant uwchradd yn £417k
  - Gorwariant cynradd yn £106k
- Gorwariant a ragwelir erbyn 31:3:13 yw
  - Uwchradd £511k
  - Cynradd £130k
- Diswyddiadau wedi cael eu gwneud yn y Sector Uwchradd gyda chost o £60k, sydd i'w dalu gan yr Adran Addysg
- Rhagolygon ar gyfer cyllideb 2013/14 - gobeithio y bydd y gyllideb gynradd yn balansio gyda dim gorwariant

Agorwyd y drafodaeth a nodwyd y sylwadau isod:

- Pryder fod cyflwyno arweiniad i ysgolion yn cymryd yn rhy hir, mae gan Lywodraethwyr gyfrifoldeb i'r ysgol. Mae'r gefnogaeth yn dda iawn gan yr AALI pan mae problem o ddiffyg gan ysgol ond mae'n bwysig fod y neges yn mynd allan fod angen i bawb gael eu trin efo'r un cadernid. Mae angen i bob ysgol ddod o dan yr un rheolau ac arweiniad.

Nododd GJ fod Llywodraeth Cymru yn edrych ar ddyletswyddau Llywodraethwyr ar y funud ac yn awyddus iawn iddynt gymryd mwy o rôl fel "cyfaill beirniadol" i'r ysgolion.

Eglurodd GJ fod yr AAL, efo cymorth ysgolion, wedi gallu cymryd camau i geisio unioni'r gyllideb integreiddio cynradd a'r uwchradd. Rhwng nawr a 31:3:13 bydd rhaid symud ymlaen i dorri swyddi cymorthyddion yn yr uwchradd. Y nod fydd

what could be done with the money and it could not be used to save teachers' jobs.

## **5. Primary schools in deficit/Integration budget**

### **i) Primary schools in deficit**

GL gave an overview of the current situation and the following points were noted:

- The number of schools in deficit had increased
- That year, there were 12 primary schools and the deficit was more than £15 in 5 of the schools
- 2 secondary schools in deficit
- Meetings had been arranged and the 12 schools had been discussing their situation with the relevant officers
- The Education Accountant was working with Education Officers to try to see how there could be a system of collaboration with schools
- It was important to remember that schools could not go into deficit without the permission of a 151 Officer

The points below were added by GJ:

- A report had gone to the Scrutiny Committee at the end of 2012 (available on the County Council website)
- The deficit varied from £2k to £60k in primary only
- Schools in deficit had to have a recovery plan in place
- A specific form had been drawn up (discussed at the last meeting) and the Officers had met with the 12 schools and they were asked to discuss the matter/form with their Governors
- Discussions were going on with the 2 secondary schools in order to get a recovery plan in place

### **ii) Integration**

The Education Accountant, Bethan Owen, gave an overview of the current situation regarding the integration budget:

- Overspending on integration increased by over £700K between 2006 and 2011
- In the 2012/13 financial year (up to that time)
  - Secondary overspending was £417k
  - Primary overspending was £106k
- Overspending forecast by 31:3:13 was
  - Secondary £511k
  - Primary £130k
- Redundancies had happened in the Secondary Sector with a cost of £60k, to be paid by the Education Department
- Prospects for 2013/14 budget – it was hoped the primary budget would balance, with no overspend

The debate was opened and the following comments noted:

- Concern that it was taking too long to introduce guidance for schools; Governors had a responsibility to the school. The support from the LEA was very good when there was a problem of a deficit at a school, but it was important the message went out that everyone had to be treated with the same firmness. Every school had to come under the same rules and guidance.

cychwyn y flwyddyn ariannol 2013/14 efo cyllideb a chostau cyfatebol. Bydd angen gweithredu yn y cynradd yn ogystal er mwyn i gyllideb 2013/14 gyd-fynd a'r gwariant. Ond mae'n bwysig cofio fod cyllideb integreiddio yn cael ei gyrru gan ofynion.

- O ystyried beth rydym wedi ei glywed mewn perthynas â'r gorwariant integreiddio eleni, fydd yna unrhyw oblygiadau i'r gyllideb uwchradd yn 2013/14?

Eglurodd GJ fod cynnydd o 2.08% yn mynd i fod tua £300k i'r uwchradd; mae gorwariant integreiddio uwchradd yn £500k ac fe fydd hyn yn dod o'r cwantwm uwchradd, felly mae'n golygu y bydd y gyllideb oddeutu £200k yn llai.

- Teimlo nad diffyg o safbwynt rheolaeth dysgu yw hyn ond ar gyllideb na chafodd ei datganoli i'r ysgolion uwchradd tan eleni. Fyddai'n bosibl i Gyngor Sir Ynys Môn edrych ar falansau'r Cyngor i weld os ellir cyfarfod a'r diffyg am eleni yn unig?

Nododd GL y byddai'n rhaid edrych ar y lefel o falansau cyn gwneud unrhyw benderfyniad.

- Mae'r gyllideb a osodwyd dros y 6 mlynedd diwethaf wedi methu; mae ateb eleni ond nid yw wedi bod i gymorth i ni fel ysgolion

## 6. Rheolaeth Gyllidol mewn Ysgolion

Atgoffwyd y Fforwm fod trafodaeth wedi ei chynnal yn y cyfarfod diwethaf ynglŷn â sefydlu gwell trefn o fonitro rheolaeth gyllidol mewn ysgolion ac i ddatblygu'r cydweithio rhwng Adran Gyllid, AALI a phenaethiaid mewn perthynas â gorwariant ysgolion unigol. Nodwyd fod dogfen drafft wedi ei pharatoi ar nod yw ceisio cael ysgol i ofyn y cwestiwn iddi hi ei hun, ydi ansawdd rheolaeth gyllidol ni yn foddhaol? Bwriad wedyn yw bod yr ysgolion sydd angen arweiniad pellach yn cydweithio efo'r AALI fel y gellir dod i fyny efo datrysiad i'r broblem. Bydd y ddogfen yn cael ei threialu cyn dod a hi gerbron y Fforwm. Gofynnwyd am farn y Fforwm ar hyn a nodwyd y sylwadau isod:

- Edrych fel rhywbeth rhyngweithiol. Beth yw'r camau sydd yn eu lle i arbed ysgolion rhag mynd i ddiffyg? Oes camau ar gael i osgoi diswyddo gorfodol?

Rhoddodd GJ drosolwg o'r cynllun oedd yn ei le ar gyfer ysgolion oedd yn wynebu diffyg/diswyddo llynedd gan nodi'r blaenoriaethau. Roedd gofyn i'r ysgolion weithio efo'r AALI i lunio Cynllun Busnes. Ar hyn o bryd nid oes sicrwydd y bydd cynllun cyffelyb ar gael ar gyfer 2013. Eleni bydd yr AALI yn gofyn i'r ysgolion baratoi cynllun busnes eu hunain ac mae gwybodaeth wedi cael ei rannu efo'r uwchradd yn barod ac fe fydd yn cael ei rannu efo'r cynradd 6:2:13. Eglurwyd fod trafodaethau yn cael eu cynnal i weld os bydd ar gael i'r ysgolion ond fe fydd angen cael y wybodaeth mor fuan â phosibl.

- Rydym fel Fforwm a Phenaethiaid yn gwerthfawrogi fod y Cyngor wedi gwneud pob ymdrech posibl i ddiogelu cyllideb Addysg/Ysgolion ac i adlewyrchu blaenoriaethau Llywodraeth Cymru. Rydym fel ysgolion yn awyddus iawn i gyd weithio efo'r AALI a'r Cyngor.
- Cais fod y cynnig a wnaed uchod, sef "Fyddai'n bosibl i Gyngor Sir Ynys Môn edrych ar falansau'r Cyngor i weld os ellir cyfarfod a'r diffyg am eleni yn unig?" yn cael ei wneud yn gynnis ffurfiol gan y Fforwm i'r Cyngor. Eiliwyd hyn a chytunwyd i'w wneud yn gynnis ffurfiol gan y Fforwm.

GJ noted the Welsh Government was at that time looking at Governors' duties and very keen they should take on more of a role of 'critical friend' for the schools.

GJ explained that the LEA, with schools' assistance, had been able to take steps to try to rectify the primary and secondary integration budget. Between then and 31:3:13, posts of assistants in the secondary sector would have to be cut. The aim would be to begin the 2013/14 financial year with the budget matching the costs. The same will also have to be done in the primary sector by 31:3:13 so that the 2013/14 budget matched the expenditure. But it was important to remember that integration is driven by requirements.

- Bearing in mind what they had heard about integration overspending that year, would there be any implications for the secondary budget in 2013/14?

GJ explained that an increase of 2.08% would be about £300k for secondary; integration overspending in secondary was £500k and this would come from the secondary quantum, which therefore meant the budget would be about £200k less.

- It was felt this was not a deficit in terms of the management of teaching but of a budget that was not delegated to the secondary schools until that year. Would it be possible for Anglesey County Council to look at the Council balances to see whether the deficit could be met for that year only?

GL noted that the level of balances would have to be looked at before coming to any decision.

- The budget set over the last 6 years had failed; there was a solution that year but it had not been of help to schools as such.

## **6. Budgetary Control in Schools**

The Forum was reminded that a discussion occurred at the previous meeting regarding establishing a better system for monitoring budgetary control in schools and to develop the collaboration between the Finance Department, LEA and heads in relation to overspending by individual schools. It was noted a draft document had been prepared and the aim was to try to get the school to ask itself the question of whether the quality of its budgetary control was satisfactory. The intention then was that schools requiring further guidance would collaborate with the LEA to find a solution to the problem. The document would be trialled before bringing it before the Forum. The Forum's view on this was requested, and the comments below were noted:

- It looked as if it was interactive. What steps were in place to prevent schools having to go into deficit? Were there steps available to avoid compulsory redundancy?

GJ gave an overview of the plan in place for schools facing a deficit/redundancy the previous year, noting the priorities. The schools were required to work with the LEA to draw up a Business Plan. There was no guarantee at that time that a similar plan would be available for 2013. During the current year, the LEA would be asking the schools to prepare their own business plan; information was already being shared with the secondary sector and would be shared with primary 6:2:13. It was explained discussions were being held to see whether it

Nododd Cyng J Chorlton ei fod yn fodlon trafod y mater o fewn y Cyngor yng nghyd-destun ei swyddogaeth o Ddeilydd Portffolio Cyllid. Pwysleisiodd pwysigrwydd cofio fod Addysg a Gwasanaethau Cymdeithasol yn cael blaenoriaeth ond ar ddiwedd y dydd dim ond un gyllideb sydd ac mae angen ei rhannu'n deg.

- Sut fydd gofynion disgyblion AAY yn cael eu cyfarfod o ystyried y torri nôl fydd yn y gyllideb integreiddio o ganlyniad i'r gorwariant dros y blynnyddoedd diwethaf? Fydd hyn yn golygu y bydd mwy o ddisgyblion yn symud o'r prif lif i Ysgol y Bont?

Eglurodd GJ na fydd hyn yn arwain at fwy o ddisgyblion yn trosglwyddo i Ysgol y Bont.

## **7. Cytundebau Lefel Gwasanaeth a Cyfansoddiad y Fforwm**

### **i) Cytundebau Lefel Gwasanaeth**

Mae'r cytundebau lefel gwasanaeth wedi cael eu hadolygu ond nid oes trafodaeth wedi ei chynnal efo'r ysgolion, felly dim mewn sefyllfa i rannu unrhyw wybodaeth bellach efo'r Fforwm yn y cyfarfod yma.

### **ii) Cyfansoddiad y Fforwm**

Yn dilyn cais yn y cyfarfod diwethaf eglurodd GJ nad yw wedi llunio papur ar gyfansoddiad y Fforwm gan ei fod yn teimlo fod angen trafodaeth gychwynnol cyn symud ymlaen. Yn ogystal eglurodd ei fod yn awyddus i gynnwys penaethiaid cynradd, uwchradd ac arbennig yn y drafodaeth. Cyflwynwyd papur byr yn amlinellu'r sefyllfa gyfredol, ond mae angen trafodaeth bellach ar gyfnodau aelodaeth, ydym am newid a.y.b.

Agorwyd y drafodaeth a nodwyd y sylwadau isod:

- Beth yw'r broses o ddewis llywodraethwyr a chynrychiolydd o ysgolion bach o dan 50?

Eglurwyd fod llywodraethwyr wedi cael eu dewis yn wreiddiol trwy ofyn i bob ysgol am enwebiadau.

- Mynegi gwerthfawrogiad o safon y 2 gyfarfod diwethaf, mae sylwedd wedi bod iddynt ac wedi rhoi llawer i ni feddwl am wedyn. Mae'n broblem i gael aelodau, llywodraethwyr ddim yn mynychu fel sylwebyddion, felly ddim yn gwybod beth yw'r Fforwm. Angen edrych sut ellir ennyn diddordeb.
- Gwerthfawrogi'r papur. Teimlo fel penaethiaid yn awr mae gennym ddylanwad yn y Fforwm a llais ar y gyllideb.
- Mae'r agwedd wedi newid o fewn y Cyngor hefyd, trafodaethau ar y gyllideb yn digwydd yng nghynt yn awr ond byddai'n werth dechrau hyd yn oed ynghynt na hyn.

## **8. Unrhyw fater arall**

### **i) Beth yw'r drefn ar gyfer cadw ysgol ar agor mewn tywydd drwg? Pa gymorth sydd ar gael i ysgolion?**

Eglurodd GJ fod angen ystyried nifer o agweddau

- Sicrhau fod y wybodaeth gywir ynglŷn pha ysgolion sydd ar agor/cau yn cael ei basio ymlaen i'r swyddfa

would be available to the schools, but the information would need to be available as soon as possible.

- The Forum and Heads appreciated that the Council had made every possible effort to safeguard the Education/Schools budget and to reflect the Welsh Government's priorities. As schools, they were very keen to collaborate with the LEA and the Council.
- A request that the proposal made above "Would it be possible for Anglesey County Council to look at the Council balances to see whether the deficit could be met for that year only?" Be made a formal proposal from the Forum to the Council. This was seconded and it was agreed to make it a formal proposal from the Forum.

Coun. J Chorlton noted he was prepared to discuss the matter in Council in the context of his function as Finance Portfolio Holder. He emphasized the importance of bearing in mind that education and Social Services were given priority but at the end of the day there was only one budget and it needed to be shared fairly.

- How would the requirements of ALN pupils be met bearing in mind the cutting back that would happen in the integration budget as a result of the overspending over the previous years? Would this mean more pupils moving from the mainstream to Ysgol y Bont?

GJ explained this would not lead to more pupils transferring to Ysgol y Bont.

## **7. Service Level Agreements and the Constitution of the Forum**

### **i) Service Level Agreements**

The service level agreements had been reviewed but discussion had not occurred with the schools, so they were not in a situation to share any further information with the Forum at that meeting.

### **ii) Constitution of the Forum**

Following a request at the previous meeting, GJ explained that he had not drawn up a paper on the constitution of the Forum because he felt initial discussion was needed before proceeding. In addition, he explained he was keen to include primary, secondary and special school heads in the debate. A brief paper was presented, outlining the current situation, but further discussion was needed on the lengths of time for membership, whether they were going to change etc.

The debate was opened, and the comments below were noted:

- What was the process for selecting governors and representatives from small schools of less than 50?

It was explained that governors were originally selected by asking every school for nominations.

- Appreciation was expressed of the standard of the 2 previous meetings, there had been a substance to them and they had given much to be considered later. It was a problem to get members, governors did not attend as observers, so did not know what the Forum was. There was a need to see how to generate interest.

- Trafodaethau yn cymryd lle ar sefydlu trefn gorfforaethol ar gyfer y dyfodol
- Mae'n gyfrifoldeb ar y cyd rhwng yr ysgol a'r gwasanaethau canolog.
- Mae blaenoriaeth yn cael ei roi i raeau'r prif ffyrdd
- Yn eu hanfod, yr ysgolion sydd yn gyfrifol am sicrhau eu bod ar agor ac yn ddiogel
- Nodyn wedi mynd allan i'r holl ysgolion yn gofyn a ydynt yn dymuno prynu bocs graean, dim ond 1 ysgol sydd wedi ymateb.
- Penderfyniad pryd i agor/cau yn un anodd i ysgolion ei wneud
- Yn gyffredinol, cyfrifoldeb yr ysgol yw cymryd pob cam rhesymol fel bod yr ysgol ar agor.

Ategodd Pennaeth Uwchradd fod cwmnïau bysiau yn gwrthod mynd ar hyd y lonydd sydd heb gael eu graeanu felly nid yw'r plant yn gallu dod i'r ysgol.

## **9. Cyfarfod nesaf**

Dyddiad i'w gadarnhau.

- The paper was appreciated. It was felt as heads that they now had influence at the Forum and a voice on the budget.
- The attitude within the Council had also changed; discussions on the budget now happened earlier but it would be worth starting earlier still.

## **8. Any other business**

### **i) What was the procedure for keeping a school open in bad weather? What assistance was available for schools?**

GJ explained that a number of aspects needed to be considered.

- Ensuring that accurate information was passed on to the office regarding which schools were open/closed
- Discussions were going on regarding establishing a corporate system for the future
- It was a joint responsibility between the school and central services
- Priority was given to gritting the main roads
- In essence, the schools were responsible for ensuring they were open and safe
- A note had gone out to all schools asking them whether they wished to buy a grit box, only 1 school had responded
- The decision on when to open/close was a difficult one for schools to make
- Generally, it was the school's responsibility to take every reasonable step to get the school open.

A Secondary Head added that bus companies refused to send their vehicles along ungritted roads, so children were unable to get to school.

## **9. Next meeting**

Date to be confirmed.



Cyfarfod Cyswllt Cyngorau Tref a Chymuned  
29.01.13

**Cyfarfod Cyswllt Cyngorau Tref a Chymuned**  
**Cofnodion y cyfarfod a gynhaliwyd ar 29 Ionawr 2013 (7.00 yh)**

<b>Presennol:</b>	<b>Cyngorau Tref a Chymuned</b>
Stan Zalot	Biwmares
J E Lewis	Bodffordd; Llangristiolus
Cliff Everett	Caergybi
R E Hughes	Llanbadrig
Elfed Jones	“ “
Geraint Parry	Llanddona; Llangoed
Jack Jones	Llanerchymedd
John Jukes	“ “
R E Rowlands	Llanfaelog
Ian Owen	Llanfihangelesceifiog
Einion Parry Williams	“ “
Arnold Milburn	Llangefni
Margaret A Thomas	“ “
Jack Abbott	Trearddur
Michael Dolan	“ “
Edward Williams	“ “
Anna Jones	Tref Alaw
Edna M Jones	Trewalchmai
Margaret Price	“ “
Neil R Tuck	Y Fali
Gwenda Owen	“ (Hefyd yn cynrychioli'r Cyngor Sir ar eitem 2)

Cyng Bryan Owen  
Cyng W J Chorlton  
Gwen Carrington  
Gill Lewis

Clare Williams  
Huw Jones  
Gwenda Owen  
Mary Sillitoe  
Rhian Wyn Hughes

Hefyd yn bresennol:  
Cyng T H Jones

Ymddiheuriadau:  
Marilyn Hughes  
Linda Frazer-Williams  
Gwenda Parry  
Cyng G O Parry MBE

**Cyngor Sir Ynys Môn**  
Arweinydd (Cadeirydd)  
Deilydd Portffolio – Cyllid, TGCh ac AD  
Cyfarwyddwr Cymuned  
Pennaeth Swyddogaeth Dros Dro –  
Adnoddau  
Pennaeth Swyddogaeth – Adnoddau  
Pennaeth Gwasanaeth – Polisi  
Swyddog Tai Gweigion (eitem 2)  
Hwylusydd Tai Gwledig  
Swyddog Polisi

Cyngor Sir Ynys Môn

Amlwch  
Porthaethwy  
Moelfre  
Cyngor Sir Ynys Môn

**Town and Community Councils Liaison Meeting**  
**Minutes of the meeting held on 29 January 2013 (7.00 pm)**

<b>Present:</b>	<b>Town and Community Councils</b>
Stan Zalot	Beaumaris
J E Lewis	Bodffordd; Llangristiolus
Cliff Everett	Holyhead
R E Hughes	Llanbadrig
Elfed Jones	“ “
Geraint Parry	Llanddona; Llangoed
Jack Jones	Llanerchymedd
John Jukes	“ “
R E Rowlands	Llanfaelog
Ian Owen	Llanfihangelesceifiog
Einion Parry Williams	“ “
Arnold Milburn	Llangefni
Margaret A Thomas	“ “
Jack Abbott	Trearddur
Michael Dolan	“ “
Edward Williams	“ “
Anna Jones	Tref Alaw
Edna M Jones	Trewalchmai
Margaret Price	“ “
Neil R Tuck	Valley
Gwenda Owen	“ (Also representing the County Council re. item 2)
<b>Cllr Bryan Owen</b>	<b>Isle of Anglesey County Council</b>
<b>Cllr W J Chorlton</b>	<b>Leader (Chair)</b>
<b>Gwen Carrington</b>	<b>Portfolio holder –Finance, IT and HR</b>
<b>Gill Lewis</b>	<b>Director of Community</b>
<b>Clare Williams</b>	<b>Interim Head of Function - Resources</b>
<b>Huw Jones</b>	<b>Head of Function - Resources</b>
<b>Gwenda Owen</b>	<b>Head of Service – Policy</b>
<b>Mary Sillitoe</b>	<b>Empty Homes Officer (item 2)</b>
<b>Rhian Wyn Hughes</b>	<b>Rural Housing Enabler</b>
	<b>Policy Officer</b>
<b>Also present:</b>	
<b>Cllr T H Jones</b>	<b>Isle of Anglesey County Council</b>
<b>Apologies:</b>	
<b>Marilyn Hughes</b>	<b>Amlwch</b>
<b>Linda Frazer-Williams</b>	<b>Menai Bridge</b>
<b>Gwenda Parry</b>	<b>Moelfre</b>
<b>Cllr G O Parry MBE</b>	<b>Isle of Anglesey County Council</b>

## 1. Cofnodion

Cadarnhawyd cofnodion y cyfarfod a gynhaliwyd ar 18 Hydref 2012 fel rhai cywir.

Mater yn codi:

### **Siarter Cynghorau Tref a Chymuned ar y Cyd**

Gofynnodd J E Lewis (Bodffordd; Llangristiolus) beth oedd statws y Siarter uchod. Eglurodd y Pennaeth Gwasanaeth – Polisi bod y Siarter wedi'i chymeradwyo gan Fwrdd Comisiynwyr y Cyngor yn 2012 a'i bod felly yn weithredol. Ychwanegodd Arnold Milburn (Llangefni) bod angen i bob Cyngor Tref a Chymuned fabwysiadu'r Siarter yn ffurfiol hefyd.

## 2. Tai Gweigion a Thai Gwledig

Cafwyd cyflwyniadau gan Hwylusydd Tai Gwledig a Swyddog Tai Gweigion y Cyngor, yn amlinellu'r sefyllfa ddiweddaraf mewn perthynas â'r uchod ynghyd ag ymagwedd y Cyngor tuag at fynd i'r afael â'r heriau y mae'n eu hwynebu.

Pwysleisiwyd bod gan y Cynghorau Tref a Chymuned rôl allweddol i chwarae mewn cynorthwyo'r Cyngor Sir trwy ddarparu gwybodaeth leol a chodi ymwybyddiaeth yn lleol am beth sydd ar gael i berchenogion eiddo gwag a phrynwyr tro cyntaf. Diolchodd y swyddogion i gynrychiolwyr y Cynghorau Tref a Chymuned am y cymorth a gafwyd ganddynt yn y gorffennol ac fe'u hanogwyd i barhau i weithio mewn partneriaeth gyda'r Cyngor.

Dilynydwyd y cyflwyniadau gyda sesiwn cwestiwn ac ateb.

Dywedodd Cliff Everett (Caergybi) bod angen i bolisi gosod tai'r Cyngor fod yn fwy hyblyg, yn arbennig o ran y cyfyngiadau oed a roddir ar rai eiddo a hefyd y system dyrannu pwyntiau.

**Gweithredu:** Gwasanaethau Tai i adnabod a rhoi sylw i rwystrau posib o ran cwrdd ag anghenion tai ym mholisi gosod tai'r Cyngor.

## 3. Cwrdd â'r Heriau – Ymgynghoriad ar y Gyllideb 2013/14

Agorodd y Cyng W J Chorlton y drafodaeth ar y ddogfen ymgynghorol ar y gyllideb trwy bwysleisio bod gweithio mewn partneriaeth yn bwysicach nag erioed os yw'r ynys am fynd i'r afael â'r heriau dirfawr o ganlyniad i'r dirywiad economaidd a gwneud y defnydd gorau o'r adnoddau sydd ar gael.

## 1. Minutes

The minutes of the meeting held on 18 October 2012 were confirmed as a correct record.

Matter arising:

### **Joint Town and Community Council Charter**

J E Lewis (Bodffordd; Llangristiolus) enquired as to the status of the above Charter. The Head of Service – Policy explained that the Charter had been approved by the Council's Board of Commissioners in 2012 and was therefore operational. Arnold Milburn (Llangefnri) added that all Town and Community Councils also needed to formally adopt the Charter.

## 2. Empty Homes and Rural Housing

The Council's Rural Housing Enabler and Empty Homes Officer gave presentations outlining the current situation with regard to the above and the Council's approach towards addressing the challenges it faces.

It was emphasised that Town and Community Councils had a key role to play in assisting the County Council by providing local knowledge and raising awareness locally as to what is available to owners of empty properties and first-time buyers. The officers thanked Town and Community Council representatives for the assistance they had provided in the past and encouraged them to continue to work in partnership with the Council.

The presentations were followed by a question and answer session.

Cliff Everett (Holyhead) stated that the Council's housing allocations policy needed to be more flexible, particularly with regard to age restrictions placed on certain properties and the current points allocation system.

**Action:** Housing Services to identify and address potential barriers to meeting housing need in the Council's housing allocations policy.

## 3. Meeting the Challenges – Budget Consultation 2013/14

Cllr W J Chorlton opened the discussion on the budget consultation document by stressing that partnership working was more important than ever if the island is to tackle the immense challenges caused by the economic downturn and make the best use of the resources available.

Yna fe wahoddwyd sylwadau gan y llawr. Ceir crynodeb isod o'r prif bwyntiau a godwyd gan gynrychiolwyr Cyngorau Tref a Chymuned.

- Angen rhoi gwybodaeth fwy manwl i bartneriaid am oblygiadau costau er mwyn eu cynorthwyo i wneud penderfyniadau mwy gwybodus o ran y posibilrwydd o gymryd drosodd y cyfrifoldeb am redeg toiledau cyhoeddus (Llangefni; Y Fali).
- Cyfeiriwyd at y posibilrwydd o gael Cyngorau Cymuned cyfagos yn gweithio gyda'i gilydd i redeg toiledau cyhoeddus (ee Y Fali ac ardal Ynys Cybi) – byddai modd cychwyn trafodaethau unwaith y byddai gwybodaeth fanwl am y costau ayyb ar gael.
- Byddai cau toiledau cyhoeddus yn groes i Gynllun Rheoli Cyrchfan y Cyngor (Biwmares)
- Awgrymwyd y gallai Cyngorau Cymuned weithio mewn partneriaeth gyda sefydliadau lleol a gwneud cais am grantiau gan Ymddiriedolaeth Elusennol Ynys Môn i redeg toiledau cyhoeddus (Caergybi)
- Cyfeiriwyd at yr opsiwn o gael cymunedau'n rhan o bartneriaeth '50-50' gyda'r Cyngor Sir – mae hyn yn weithredol yn barod ym Miwmares (Biwmares).
- Angen edrych ar godi tâl am ddefnyddio toiledau cyhoeddus (Llanfihangelceifiog)
- Angen symleiddio'r broses a lleihau amserlenni o ran sefydlu a rhoi mentrau cymdeithasol ar waith (Llangefni).
- Cynnal a chadw dros y Gaeaf (graeau ayyb) – Byddai modd i wirfoddolwyr helpu i glirio llwybrau, lonydd stadau ayyb mewn partneriaeth gyda'r awdurdod lleol (Llangefni).
- Pam mae pedwar o'r pum cyngor tref wedi gweld gostyngiad arfaethedig yng nghyfradd prae-septau 2013/14?

**Gweithredu:** Eglurhad ysgrifenedig i'w gylchredeg i'r pum Cyngor Tref.

- Awgrym y gallai Cyngorau Cymuned gymryd mantais o'u pwerau i gynyddu prae-septau er mwyn ariannu mentrau newydd (Caergybi).
- Angen gostwng costau craidd. Mae'r cynnydd i lwfansau aelodau (sydd wedi'i osod yn genedlaethol gan Banel Annibynnol Cymru ar Gydnabyddiaeth Ariannol) yn rhoi argraff wael (Trearddur).

Comments were then invited from the floor. The main points raised by Town and Community Council representatives are summarised below.

- Need to provide partners with more detailed information about cost implications to help them make better-informed decisions as to whether or not it would be possible to take over the running of public conveniences (Llangefni; Valley).
- The possibility of neighbouring community councils working together to run public conveniences (eg Valley and Holy Island areas) was raised – discussions could begin once detailed information on costs etc was made available.
- The closure of public conveniences would be contrary to the Council's Destination Management Plan (Beaumaris)
- It was suggested that Community Councils could work in partnership with local organisations and apply for grants from the Isle of Anglesey Charitable Trust to run public conveniences (Holyhead)
- Reference made to the option of communities entering into a '50-50' partnership with the County Council – this is already operational in Beaumaris (Beaumaris).
- Need to look at introducing charges for using public conveniences (Llanfihangelceifiog)
- Need to simplify the process and shorten timescales for setting up and implementing social enterprises (Llangefni).
- Winter maintenance (gritting etc) - Volunteers within individual communities could help clear pathways, estate roads etc. in partnership with the local authority (Llangefni).
- Why have four of the five Town Councils have seen a proposed reduction in the 2013/14 precept rate?

**Action:** Explanation to be circulated in writing to the five Town Councils.

- Suggestion that Community Councils could take advantage of their powers to raise precepts to fund new initiatives (Holyhead).
- Core costs need to be reduced. The increase in members' allowances (which has been set nationally by the Independent Remuneration Panel for Wales) gives a bad impression (Trearddur).

- Angen sicrhau bod Cyngorau Tref a Chymuned yn cael eu tynnu i mewn i brosesau gwneud penderfyniadau ar y cychwyn (Y Fali; Biwmares)

Dywedodd Stan Zalot bod Cyngor Tref Biwmares yn bwriadu cyflwyno adroddiad cynhwysfawr i'r Cyngor Sir mewn ymateb i'r ddogfen ymgynghori a gofynnodd am ymateb ffurfiol i'r adroddiad hwnnw.

Cafwyd sicrwydd gan y Pennaeth dros dro – Adnoddau y byddai ymateb yn cael ei ddarparu ac fe ychwanegodd y bydd y Cyngor hefyd yn rhoi adroddiad at ei gilydd a fydd yn cynnwys yr holl sylwadau a dderbyniwyd.

**Gweithredu:** Cyngor Tref Biwmares i gael ymateb ffurfiol i'w sylwadau ysgrifenedig wedi iddynt ddod i law y Cyngor.

#### **4. Unrhyw Fater Arall**

##### **4.1 Trefniadau Gweithio ar y Cyd**

Yn rhinwedd ei rôl fel swyddog arweiniol o ran datblygu'r bartneriaeth gyda Chynghorau Tref a Chymuned, nododd y Cyfarwyddwr Cymuned ei bwriad i ddatblygu'r trefniadau hyn ymhellach trwy fynd allan at y cymunedau. Gan na fyddai'n ymarferol ymweld â phob un Cyngor Cymuned yn unigol, awgrymodd y dylid clystyru cymunedau gyda'i gilydd i sefydlu cyfarfodydd ar sail ardal ac y byddai modd datblygu rhaglen waith yn ystod 2013/14.

Croesawyd y cynnig uchod gan y cynrychiolwyr Cyngorau Tref a Chymuned a oedd yn bresennol ac fe gytunwyd y dylid trafod y mater yn fwy manwl yn y cyfarfod cyswllt nesaf.

Daeth y cyfarfod i ben am 8.35 yh.

- Need to ensure that Town and Community Councils are brought into decision-making processes at the outset (Valley; Beaumaris)

Stan Zalot stated that Beaumaris Town Council intended to submit a comprehensive report to the County Council in response to the consultation document and requested a formal response to that report.

The Interim Head of Function – Resources gave an assurance that a response would be provided and added that the Council would also be compiling a report incorporating all views received.

**Action:** Beaumaris Town Council to be provided with a formal response to its written representations following its receipt.

#### **4. Any other business**

##### **4.1 Joint Working Arrangements**

In her capacity as the Council's lead officer in developing the partnership with Town and Community Councils, the Director of Community noted her intention develop these arrangements further by going out to communities. As it would not be practical to visit all Community Councils individually, she suggested that communities be grouped together to establish area-based meetings and that a work programme could be developed during 2013/14.

The above proposal was welcomed by the Town and Community Council representatives present and it was agreed that the matter should be discussed in more detail at the next liaison meeting.

The meeting concluded at 8.35 pm.



## DETHOLIAD O'R COFNODION O GYFARFOD PWYLLGOR GWASANAETHAU DEMOCRATAIDD 4/12/2013

Cyflwynwyd – adroddiad gan y Pennaeth Gwasanaethau Democraidd Dros Dro mewn perthynas â'r uchod.

Adroddwyd bod cynigion arbedion mewn perthynas â'r Gwasanaethau Democraidd wedi eu cynnwys yn y ddogfen ymgynghorol dan wasanaeth y Dirprwy Brif Weithredwr. Mae'r agweddau hyn eisoes wedi cael sylw gan y Pwyllgor Sgriwtini Corfforaethol yn y cyfarfod ar 28 Ionawr 2013. Y prif arbedion mewn perthynas â'r Gwasanaethau Democraidd yw'r cynigion i roi'r gorau i ddefnyddio amlenni lle mae'r costau postio wedi eu talu ymlaen llaw, a hynny trwy'r Awdurdod cyfan. Mae'r amlenni hyn wedi bod yn cael eu darparu i'r aelodau etholedig ers 1996, ar gais, fel bod modd iddynt gyflawni eu dyletswyddau. Yn ystod 2011/12 dim ond 6 o Aelodau a ofynnodd amdanynt ac fe gostiodd £185. Roedd yr adroddiad hefyd yn cyfeirio at y canllawiau a gyhoeddwyd gan Banel Annibynnol Cymru ar Gydabyddiaeth Ariannol yn ei adroddiad blynyddol ar gefnogi gwaith Aelodau awdurdodau lleol.

Ar hyn o bryd, mae'r Cyngor yn darparu'r cymorth isod i'r Aelodau yn rhad ac am ddim:-

- Offer TGCh – ipads(cynllun peilot ar gyfer Aelodau'r Pwyllgor Gwaith), gliadiuron, peiriannau argraffu a nwyddau traul.
- Band eang a llinellau ffôn.
- Deunydd a phapur ysgrifennu, ar gais
- Gwasanaethau post.

Mater a godwyd gan yr Aelodau:

- Mynegwyd pryderon ynghylch gwrthdaro posib rhwng band eang preifat a band eang y Cyngor yng nghartrefi'r Aelodau. Ymatebodd y Rheolydd Gwasanaethau TGCh na ddylai unrhyw wrthdaro technegol ddigwydd oherwydd bod y dechnoleg bellach wedi datblygu ac nad oes angen gwahanu'r llinellau ffôn neilltuol.

Yn dilyn trafodaethau manwl **PENDERFYNWYD:**

- **Cymeradwyo'r arbedion a gynigir mewn perthynas ag amlenni lle mae'r costau postio wedi eu talu ymlaen llaw;**
- **Cyflwyno adroddiad i'r Pwyllgor ar ôl yr Etholiadau i'r Cyngor Sir ym Mai 2013 ynghylch darparu cysylltiadau band eang a rheoli diogelwch data.**

**EXTRACT FROM MINUTES OF DEMOCRATIC SERVICES COMMITTEE 4/2/2013**

**1 IMPLICATIONS TO DEMOCRATIC SERVICES IN RELATION TO BUDGET PROPOSALS FOR 2013/14**

Submitted – a report by the Interim Head of Democratic Services in relation to the above.

It was reported that savings proposals in relation to Democratic Services are included within the Consultation Document under the Deputy Chief Executive service. These aspects have already been scrutinised by the Corporate Scrutiny Committee at its meeting held on 28 January, 2013. The main savings identified relating to Democratic Services are proposals to end the use of pre-paid envelopes across the Authority. Pre-paid envelopes have been provided to Members since 1996, on request, to fulfil their duties. During 2011/12 only 6 Members requested pre-paid envelopes with a cost of £185. The report also referred to guidance issued by the Independent Remuneration Panel for Wales in their Annual Report on supporting the work of local authority Members.

At present the Council provides, without charge, the following support to Members :-

- ICT equipment – ipads (pilot scheme for Executive Members), laptops, printers and consumables;
- Broadband and Telephone lines;
- Stationery on request;
- Postal Services.

Issue raised by Members :-

- Concerns expressed to possible conflict between Council and private broadband at Members home addresses. The ICT Services Manager responded that no technical conflict should incur as technology has advanced with no need for the separation of the dedicated phone lines;

Following indepth discussions it was **RESOLVED:-**

- **To support the savings proposed in relation to pre-paid envelopes;**
- **That a report be submitted to this Committee after the May 2013 County Council Election on the provision of broadband connections and data security management.**

14:00pm, 7fed o Chwefror 2013  
Llynnon, Canolfan Fusnes Ynys Môn, Llangefni.

### 1. Ymgynghoriad: Cwrdd â'r Heriau – Cyllideb 2013 – 2014

Croesawodd y Cadeirydd Mrs Gill Lewis i gyfarfod y Bartneriaeth er mwyn rhoi cyflwyniad ar Ymgynghoriad 'Cwrdd â'r Heriau - Cyllideb 2013-14'.

Cafodd ei grybwyll fod yr ymgynghoriad wedi ei ddsbarthu'n eang, ac, er bod yr ymgynghoriad bellach wedi cau, roedd amser i aelodau o'r Bartneriaeth gynnig sylwadau ar yr ymgynghoriad.

Rhodddwyd trosolwg o'r dogfennau ymgynghori ac fe gafodd y ddogfen ymgynghori ei osod yn ei gyd-destun.

Yn dilyn y cyflwyniad, cafodd aelodau'r Bartneriaeth amser i ofyn cwestiynau ar yr ymgynghoriad.

Nodwyd fod y gyllideb yn un heriol iawn, gydag angen i arbed £10miliwn mewn costau rhedeg, sy'n cyfartalu i ychydig yn llai na 8% o'r gyllideb i gyd. O ganlyniad i hyn, byddai angen gwneud nifer o newidiadau yn y dyfodol. Gwnaethpwyd y sylw y byddai cyllidebau'r dyfodol yn gallu bod hyd yn oed yn fwy heriol petai'r sefyllfa economaidd bresennol yn parhau.

Gofynnodd yr aelodau os oedd unrhyw benderfyniadau wedi cael eu gwneud ar Doiledau Cyhoeddus, fel cafodd ei adrodd yn y wasg wythnos diwethaf. Nodwyd nad oedd penderfyniad wedi ei wneud eto.

Cafodd ei grybwyll fod y gyllideb hon yn rhoi "amser i anadlu" i wasanaethau megis addysg a gwasanaethau cymdeithasol i baratoi ar gyfer newidiadau trawsnewidiol oedd yn darparu gwasanaethau mewn modd gwahanol. Cafodd cyfuniad ysgolion yng Nghaergybi ac yng Ngogledd Orllewin yr Ynys ei ddefnyddio fel esiampl o ddarparu gwasanaethau yn fwy economegol. Cwestiynodd rhai aelodau os fyddai cau ysgolion bach yn cael effaith andwyol ar ddiwylliant a demograffeg yr ardal a gallai greu rhagor o ofyn ar wasanaethau eraill y cyngor.

Nodwyd bwlch arall posib yn y gyllideb ar gyfer trwsio ffyrdd gwledig.

Cafodd Bid Twf Ynys Ynni ei drafod yng nghydestun y gyllideb arfaethedig. Cytunodd yr aelodau oedd yn bresennol fod gan y Rhaglen y potensial i ddenu llawer mwy o arian i'r Ynys na gwerth y bid twf.

The linkages with future EU funding priorities was also highlighted.

Cafodd y cysylltiadau gyda blaenoriaethau nawdd yr UE hefyd eu hamlygu.

Nodwyd y gallai ffactorau allanol, e.e. diswyddiadau / newidiadau yn y system budd-daliadau roi pwysau ychwanegol ar wasanaethau'r cyngor.

**14:00pm, 7<sup>th</sup> of February 2013  
Llynonn, Anglesey Business Centre, Llangefni.**

**1. Consultation: Meeting the Challenges – Budget 2013 – 2014**

The Chair welcomed Mrs Gill Lewis to the Partnership meeting to present on the 'Meeting the Challenges – Budget 2013 – 2014' Consultation.

It was mentioned that the consultation had been distributed widely, although the consultation period had now closed, should the Partnership members wish to suggest any comments on the consultation there was time for those comments to be considered.

Members were given an overview of the consultation documents and the budget consultation document was set in its context.

Following the presentation members of the Partnership were given time to ask questions on the consultation.

It was noted that this was a very challenging budget, with £10 million needed to be saved in running costs, which equates to just fewer than 8% of overall budget. As a result, many changes would have to occur in the future. Members commented that future budget could be even more challenging should the economic situation continue in its current trend.

Members questioned if any decisions had been made on Public Services, as reported in the press last week. It was noted that no decisions had been made as of yet.

It was mentioned that this budget gave a "breathing space" for services such as education and social services to prepare for transformational changes that delivered services in a different way. The amalgamation of schools in Holyhead and the North West of the Island was cited as an example of delivering services more economically. Some members questioned whether closing smaller schools would have a detrimental effect on the culture and demography of the areas and could in turn lead to a greater demand on other on other council services.

Members identified a possible future gap in funding to repair rural roads.

Energy Island Programme's Growth Bid was discussed in relation to the proposed budget. Members present agreed that the potential benefits warranted the growth bid, it was noted that the Programme had the potential to draw far more money to the Island than the value of the growth bid.

The linkages with future EU funding priorities was also highlighted.

It was noted that external factors, e.g. redundancies / changes in the benefit system could put additional demands on the council services.

Questions were raised regarding the situation with the council tax support situation - 100% support had now been secured for the 2013-14 financial year, no guarantee could be made for future financial years.

## DETHOLIAD O GOFNODION PARTNERIAETH ADFYWIO ECONOMAIDD YNYS MÔN– 07/02/2013

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Codwyd cwestiynau am y sefyllfa'n ymwneud â chefnogaeth treth y cyngor - mae cefnogaeth 100% wedi ei ddiogelu ar gyfer blwyddyn ariannol 2013-14, ond ni ellir rhoi sicrwydd ar gyfer blynnyddoedd ariannol i'r dyfodol.

Anogwyd y Cyngor i edrych ar ymarfer da a gwersi a ddysgwyd gan Awdurdodau Lleol Lloegr, sydd wedi wynebu llawer mwy o doriadau nag Ynys Môn. Nodwyd fod hyn wedi ei wneud, gydag Awdurdodau Lleol Lloegr yn gwneud arbedion mewn gwasanaethau megis hamdden, priffyrdd a chynnal a chadw. Roedd nifer wedi mabwysiadu model darparu aml-wasanaeth.

Diolchodd aelodau i Mrs Lewis am fynychu cyfarfod y Bartneriaeth a chroesawyd y cyfle i drafod y ddogfen ymgynghori.

**EXTRACT FROM MINUTES OF THE ANGLESEY ECONOMIC REGENERATION  
PARTNERSHIP (AERP) MEETING – 07/02/2013**

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The Council was encouraged to look at best practices and lessons learnt from English Local Authorities, who have faced a greater cut in funding than Anglesey. It was noted that this had been done, with English Local Authorities making savings in services such as leisure, highways and maintenance. Many had adopted a multi-service delivery model.

Members thanked Mrs Lewis for attending the Partnership meeting and welcomed the chance to discuss the consultation document.

## VOLUNTARY SECTOR LIAISON COMMITTEE 22 JANUARY, 2013

### CONSULTATION ON THE 2013/14 BUDGET

The 2013/14 Budget Consultation Document, *Meeting the Challenges* was presented for the Committee's consideration and comment. The document set out the Executive's medium term financial strategy, priorities and Budget proposals for 2013/14 as well as outlining the challenges facing the Council in a context of austerity and reduced resources for public services. A summary of the 2013/14 budget proposals was attached as Appendix A to the document along with an outline of planned service savings at Appendices B1 and B2 and proposals for growth at Appendix C.

Representatives of the voluntary sector raised the following issues on the budget proposals as presented –

- Concern regarding the proposed £74k reduction in service level agreements with the voluntary sector and how this decision was reached
- Whether other funding sources e.g. European monies had been factored into the budget formulation process and cutback strategy. It was pointed out that the withdrawal of grant funding would have a likely impact in terms of joint planning and that the proposals as put forward did not appear to take account of nor make contingencies for this eventuality.
- Concern regarding the "salami slicing" approach to budget reduction whereby a general percentage cut – 7% in 2013/14 and 5% in 2012/13 – is applied indiscriminately across the board without sufficient regard to whether this is proportionate to the service and what that service does. The point was made that core Social Services funding to the voluntary seems to be a target for cuts year on year.
- The absence of the course of several years of any increase for inflation for voluntary sector funding.
- The expectation that the voluntary sector will continue to sustain the same level of service with reduced funding i.e. it will be expected to do the same amount of work with less money.
- The difficulty which the voluntary has in terms of challenging the extent of the budget cuts when it does not know on what basis the proposal had been made or the rationale for it. It was requested that the voluntary sector be given the opportunity for input at the point when the proposal is formulated rather than having to respond to it retrospectively.
- Concern regarding a corresponding reduction in the length of service agreement to contracts of one year's duration which it was felt is unrealistic and unfair both in terms of the expectations of Social Services for the organisation carrying out the work on their behalf and on the organisation itself.
- Concern regarding the implications of welfare reform.
- Whether the shift towards community focused care e.g. through initiatives such as MEC will directly impact on the Social Services budget.

The Officers responded to the points made and provided clarification and explanation of issues where appropriate. The Director of Community outlined the budget setting process and the expectation on each department within the Council to identify proposals for savings of 7% in order to contribute to a balanced budget which is a statutory obligation. All Heads of Service had been asked to identify the impact of 7% savings on their services. Members will be required to identify saving options from the information provided. It is not intended to "salami slice" across all service areas. She referred to the contact by letter which she had made with the voluntary sector prior to Christmas which explained the position. She said that the service proposals as set out have been accepted for the purpose of consultation and should they be approved subsequently via the democratic process then the challenge will be to identify means of implementing the £74k reduction in service level agreements with the voluntary sector with minimal impact and without undermining the sector's infrastructure in Anglesey. The Officer proceeded to draw the Committee's attention to piece of work which she was keen should be undertaken involving a substantive review of Social Services funding of the third sector encompassing opportunities and

risks which would then provide a sound information base in preparation for the 2014/15 budget setting process.

**It was resolved –**

- **To note the Executive's initial proposals in respect of the 2013/14 Budget and accompanying considerations as set out in the Meeting the Challenges Consultation document.**
- **To support the proposal that a substantive review of the Social Services funding of the third sector to cover risk and opportunities be conducted in the period from now until September, 2013.**


**ACTIONS ARISING:**

- **Head of Service (Policy) to collate the Liaison Committee's views with regard to the 2013/14 budget proposals for presentation to the Executive prior to its formulation of definitive proposals.**
- **Director of Community to liaise with the Chief Officer of Medrwn Môn in respect of the options available in terms of implementing the proposal for reduction in the service level agreements with the Voluntary Sector should this proposal be approved as part of the definitive 2013/14 Budget package.**



**BUDGET CONSULTATION YMGYHORIAD CYLLIDEB - ACC**

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**From:** "hugo"   
**To:** <budgetconsultation@anglesey.gov.uk>  
**Date:** 08/02/2013 11:30  
**Subject:** ACC

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Dear Sirs,

After reading many recent articles in the local papers and checking the accounts of many ACC departments mostly in the red and over spent. The competence of the heads of these departments need to be desired, if this was a private business these positions would no doubt be made vacant or the company would fail.

I also find it very hard to believe that these same people expect a pay rise even though be it an allowance, is this for their incompetency, maybe as Cllr Jeff Evans from Holyhead has done, or is about to and **not take** the full allowance, is the way to go, it will be interesting to see which councillors decide to do this.

I suggest that there is a pay cut for those heads of departments (in the red) in the region 10% -15% and the rest of the people working in these departments who earn over £20000 have a pay freeze till there department is back in the black.

The head of ACC is overpaid, the pay should be relative to the number of people in his area, not to a county.

This is public money and the Anglesey People should not be having a rates increase, year after year as seems to be the norm now, due to **incompetency of others**.

Regards

Mr Turner

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**AGENDA ITEM NO.  
[Not for publication by virtue of  
Paragraph(s) ..... of Schedule  
12A to the Local Government Act  
1972]**

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to</b>	<b>Meeting of the Executive</b>
<b>Date</b>	<b>18th February 2013</b>
Subject	Scrutiny observations and feedback on the Executive Initial Budget Proposal 2013-14
<b>Portfolio Holder(s)</b>	<b>John Chorlton</b>
<b>Scrutiny Lead Member</b>	<b>Cllr. I Williams, Scrutiny Champion and Vice-chair of the Corporate Scrutiny Committee.</b>
<b>Lead &amp; Contact Officer</b>	<b>Bev Symonds, Scrutiny Manager (ext. 2078)</b>
<p><b>Nature and reason for reporting</b></p> <p>1.1. This report has been prepared on behalf of the Corporate Scrutiny Committee, in response to the Executive's draft Budget proposal for 2013-2014, outlined in their 7<sup>th</sup> January, report.</p> <p>1.2 The Ynys Mon/Isle of Anglesey County Council's Constitution stipulates in relation to setting a Budget Strategy: <i>4.3.2.1.3 the Executive's initial budget proposals shall be referred to the Corporate Scrutiny Committee for further advice and consideration. The Committee shall canvass the views of other Committees or of local stakeholders if it considers it appropriate, and having particular regard not to duplicate any consultation carried out by the Executive. The Corporate Scrutiny Committee shall report to the Executive on the outcome of its deliberations within 8 weeks of the publication of the Executive's initial proposals.</i></p> <p>1.3 The aim of the report will be to share the observations and feedback that have resulted from all the Scrutiny Committees, held during January, 2013, where all service directorates were questioned on their suggested savings and growth bids. This report is the collective view of Scrutiny with suggested areas that the Executive may wish to consider, prior to submitting their final 2013-2014 Budget to the Full Council.</p>	

<b>A – Introduction / Background / Issues</b>
<p>February 2012 Scrutiny accepted the Interim 151 Officer/Director of Finance report on Financial issues which were scheduled to be scrutinised. The said officer made the following observations to the Members suggestions/comments:-</p> <ol style="list-style-type: none"> <li>1. Base Budget Reviews were not an option due to capacity issues and held the view that this was not the way forward, rather, that it would be a much more beneficial use of time and resource, to risk assess those key areas where the benchmarks suggest that further scrutiny would be helpful;</li> <li>2. Scrutiny of the 2013/2014 budget should commence earlier in the year;</li> <li>3. Community Corporate Priorities submitted to the Improvement Board would be submitted to this Committee for scrutiny;</li> <li>4. Scrutiny should be risk focused and targeted – key areas of risk are wider than APP.</li> </ol>

This year, in line with suggestion 2 above; Scrutiny Members were involved sooner in consultation on the budget setting process, receiving copies of the Executives Consultation paper on their proposed Budget Strategy, as well as having the opportunities to attend Budget workshops, as part of contributing to planning the Budget Proposal, these were held;- 17<sup>th</sup> August, 20<sup>th</sup> November & 4<sup>th</sup> December, 2012 and 29<sup>th</sup> January, 2013.

In addition, to workshops and consultation, Scrutiny decided to base its formal role of scrutinising the Executive's Initial Budget Proposal 2013-14, as set out in their 7<sup>th</sup> January Report, by inviting the relevant Service Directors in for questioning on their savings & growth bid proposals for 2013-14, to the appropriate aligned Scrutiny Committee, i.e. January 2013:

- Monday, 21<sup>st</sup> – Housing & Social services
- Tuesday, 22<sup>nd</sup> – Economic Dev. Tourism & Property
- Thursday 24<sup>th</sup> – Education & Leisure
- Friday, 25<sup>th</sup> – Environmental & Tech services
- Monday , 28<sup>th</sup> – Corporate Scrutiny Committee

The Scrutiny Chairs & Vice Chairs met on the 17<sup>th</sup> December, 2012. to prepare for Budget Scrutiny in the new year, they wished to present a more professional image and expedite proceedings at the public Scrutiny meetings. Working with their Scrutiny Support officers they co-ordinate a line of questions based on the Budget Outturn Report for Q2, and last years budget scrutiny questions and recommendations. In addition, they formulated requests for further information, which they felt was required to assist scrutiny members' consideration of the pending budget proposal. This was all gathered into a Table and sent to SLT and senior finance officers to assist with their preparation before attending the formal Scrutiny Meetings. Each Chairman held briefing meetings for his scrutiny committee members to explain and share the above Table & information received.

This said the Table or questions and further information requests, led to the construction of the **attached Summary Table (Appendix A)** which contains a summary of all the questions and answers received by Scrutiny. It is from this Table and the Minutes of the meetings (which will be a public record) Scrutiny's considerations are based. So as not to duplicate the material in the Table or Minute record, the findings /considerations have been set out under the format headings of the Executives 7<sup>th</sup> January 2013 Initial Budget Proposal Report.

## **B - Considerations**

### **1. THE COUNCIL TAX SUPPORT SCHEME**

A number of scrutiny members enquired whether £200k was enough, based on the current tax benefit caseload and a proposed 5% increase in council tax, to cover the Council Tax Support Scheme shortfall. They felt the collection rates would drop with the citizens being hit twice with a council tax increase. The Officer explained the figure would be updated in the Quarter 3 report and the WG may not yet pass on the liability.

### **2. STANDSTILL BUDGET AND BUDGET GAP**

Scrutiny accepted that the main areas of uncertainty are still:-

## **2.1 Changes**

- Council Tax Support as outlined above;
- Future of some hypothecated revenue grants to be announced over the next months;
- Inflation on a small number of contracts;
- Out-turn for the current year and its effect on the level of balances - Members sought an educated guess from finance for information (see answer Q38 in appendix A).

## **2.2 Pressures – as follows;-**

- Looked after children
- Pension Auto-enrolment
- Welfare reform,
- School Protection

## **2.3 From Medium Term Revenue Budget Strategy –**

- Additional Job Evaluation Contingency
- Additional Unsupported Borrowing Contingency

Consequently, Scrutiny will need to keep a check on the above to be assured the Executive have amended any current proposed figures, if the areas of uncertainty change.

## **3. BUDGET STRATEGY**

### **3.1 Savings Proposals**

**3.1.1** Scrutiny understood not all savings proposals were achieved by all services against the 7% targets set and understood achievability of these savings was mixed, and a number of services found it difficult to offer up sustainable savings and offered more realistic efficiency Savings in future years.

**3.1.2** The savings proposals outlined in the 7<sup>th</sup> January 2013 Executive report at Appendix C, had a long list of potential savings, which also showed a suggested amended target against each Saving based on the achievability of proposals - were discussed and questioned at the various Scrutiny Committees.

### **3.2 Growth Bids**

**3.2.1** In a period of cuts to external funding and shrinking budgets across all services, not all Scrutiny Members felt growth bids were appropriate. However, as they received assurance that all had been scrutinized and only key priorities accepted, and those invited were clear in the expectation that only limited growth can be allowed, they accepted it. They noted the main growth issues of demand and response to key pressures are considered separately. They also studied the list of bids as shown at Appendix Ch on the 7.1.13 agenda and noted that only 4 were put forward that is;-

1. Adoption & Fostering Panel representation, and
2. Court ordered Remands, both new burdens for the authority.
3. Transition Working (pilot phase), and
4. Energy Island Programme (EIP) – both coming to an end.

Following some debate on each bid and confirmation that the EIP Bid was £300k p.a. for 3 years thus 900k in total, they accepted it. Some members feeling the EIP is essential to growth on the island suggested maybe more should be allotted. However as they recognised the financial burden of efficiency on other departments was biting - they supported the proposal for the 4 growth bids.

### **3.3 School Budgets**

Scrutiny referred to their work since the Estyn report and that the Education Scrutiny Committee is already monitoring the departments' post inspection action plan, accordingly. There was a

reluctance but acceptance for the need to rationalize schools due to decreasing pupil numbers, to protect the standards of provision for the majority in these hard economic times. Scrutiny Members acknowledged Officers comments re Anglesey's LEA was more generous in comparison to other local authorities re their provision, this was noted and may give scope for consideration for efficiencies in future years.

## **CONTINGENCIES, RESERVES AND BALANCES**

### **4.1 Contingencies**

**4.1.1** Scrutiny noted the main assumptions for contingencies in the December report had been updated in the 7<sup>th</sup> January 2013 report. A number of the Corporate Scrutiny Committee Members were concerned with contingencies figures and the need for so much. The Interim Finance Advisor explained the differences between a 'contingency' and a 'reserve', stating that these were measured amounts required in each budget line. Members acknowledged the difference in financial definition, however stated in lay person terms it was, all monies put aside for a rainy day that could be going on direct service delivery, they were not completely satisfied this was a fair figure in total.

### **4.2 Reserves and Balances**

**4.2.1** Scrutiny appreciated the annual report on reserves and balances, were considered by the Executive at its meeting on December 3<sup>rd</sup>, where it was suggested a small sum could be released from earmarked reserves and that a contribution to reserves would be required. It stated also that these aspects would be kept under review - which Scrutiny was asking they now do. They appreciate too that Reserves are an important component of councils' financial planning and that they are not a silver bullet solution to financial problems. However, Scrutiny's judgments about reserves i.e. to what extent they should be used or set aside to meet either specific or unforeseen future liabilities - can only be made by councillors having regard to advice provided by Chief Finance Officers. The advice given;

*"We have to be extremely careful about using one-off reserves to fund shortfalls in recurring funding. Reserves are not a long term solution. At best they buy time to enable service changes to be planned and implemented in an orderly way. In these circumstances it is important that councils explain clearly to the public the actions and implications for services which are expected to follow in the medium and longer term"* - is noted.

## **5. MEDIUM TERM STRATEGY AND EFFICIENCY STRATEGY**

### **5.1 Medium Term Revenue Budget Strategy**

**5.1.1** Scrutiny welcomed the Strategy for the assumptions relating to inflation, which brought the gap down to £10 million, to protect front line services by ensuring that real efficiencies are driven out of budgets over the three year period. Scrutiny acknowledged that as their priority was to maintain services then a Strategy to buy time to modernize the services, based on reprofiling and deferring contributions for time sensitive spending; applying for capitalization directions to spread the cost of equal pay compensation as appropriate; deferring contributions to earmarked reserves on a one off basis – was sensible.

**5.1.2 It noted** Ynys Môn is planning significant transformation for some of its services, particularly in response to demographic pressures and regulators reports and to improve the delivery of services for the future – Scrutiny feel it will be imperative that they take a much more active role in tracking and monitoring the progress of the Transformation Programme, through its individual committees, in comparison to sitting back when the APP programme was rolled out 2 years ago.

**5.1.3** Scrutiny accept the decisions made in preparing the standstill budget and subsequently

reducing the 'gap' that this would need to be re-visited and reviewed through 2013-14, and in preparing the budget for 2014/15, having allowed some time in 2013-14 to implement transformational change - This statement then, also supports the view of Scrutiny i.e. the need for Scrutiny to be monitoring at least quarterly the transformation progress v estimated budget savings.

## **5.2 Efficiency Strategy**

**5.2.1** Scrutiny acknowledges the on-going preparation of the 2013-14 budget, alongside a programmed of work, looking at the development of an efficiency strategy to cover a further three years to correspond with the term of the new Council.

**5.2.2** They note and agree, recent Service Reviews, undertaken on all services, that included Heads of Service, senior officers and politicians and finance and policy officers have been useful. The fact that the service reviews considered; the vision for each of the services, the transformation needed to deliver on the vision, opportunities for efficiencies, effectiveness and external collaboration and opportunities to work smarter and collaborate internally to improve delivery- will be a good 'source' to continue with scrutiny monitoring. Plus receipt of updates on the required further work mentioned in the report as needed to quantify some of the efficiencies to be gained from transformation and to deliver the level of savings needed for the next 4 years.

## **5.3 Programme Management Arrangements**

**5.3.1 Scrutiny welcomed that** the Council had been working with a number of Partners to develop an Operating model to develop a Transformation Plan. They felt in not tracking APP more closely we incurred slippage, and we cannot afford for this to happen again, putting a further strain on budgets on already difficult budgets for year 2 & 3, Scrutiny feel it imperative that delivery of the Plan and thus agree with the suggestion of setting up a Programmed Management Office. As stated in the 7<sup>th</sup> January 2013 report paragraph 5.3.2, which outlines the 2 initial '90 day cycles,' of intense programmes of work with tasks and accountabilities identified in detail and the proposed governance arrangements – Scrutiny would wish to monitor the work of the 3 proposed new Transformation Programme Boards, and the efficiency strategy, this will be managed through the Programmes.

## **6. OPTIONS FOR A PROPOSED BUDGET PACKAGE**

The following are the draft recommendations taken from the draft Minutes of all 5 Scrutiny Committees consideration of the budget proposals.

*Note: these are draft Minutes until agreed at the next formal meeting of each of the relevant Scrutiny Meetings (next held between 25 Feb & 4 March, 2013).*

### **Monday, 21st – Housing & Social services Scrutiny Committee:**

IT WAS RESOLVED: –

- To accept the Executive's initial proposals for the 2013/14 budget as presented in the Budget consultation document.
- To note and accept the Social Services proposals for identifying savings of £812k for 2013/14.
- To note and accept the Housing Services' proposals for identifying savings of £66k for 2013/14.
- To accept and support the Social Services' growth bids for 2013/14 as set out in the budget Consultation document.

**ACTIONS ARISING:-**

- Scrutiny Officer to collate the Committee's views on the initial 2013/4 budget proposals for presentation to the Corporate Scrutiny Committee prior to its formulating definitive proposals.
- Director of Community to liaise with the Communications Officer to arrange for publicity to highlight Home Carers' commitment to their clients in the recent adverse weather.
- Head of Function (Resources) to provide the Chair with a written response to the questions regarding service overspends and level of reserves.

Chair - Councillor Lewis Davies.

**Tuesday, 22<sup>nd</sup> – Economic Dev. Tourism & Property Scrutiny Committee:**

**IT WAS RESOLVED :-**

- To accept the Executive's draft budget proposals that the Economic Development Service should find efficiency savings of £86k in 2013/14 and that the service's growth bid for £300,000 (to contribute to the Energy Island Programme) be approved;
- To agree that the Property Service should find efficiency savings of £239,000 in 2013/14 and that the service growth bids should not be approved;
- That the Executive should reassess the provision of public and private toilets on Anglesey.

Chair - Councillor J.V. Owen

**Thursday 24<sup>th</sup> – Education & Leisure Scrutiny Committee :**

**IT WAS RESOLVED:-**

- To note with reluctance, the savings proposals presented by the Lifelong Learning Department and the Leisure and Culture service of the Community Department as set out in the Meeting the Challenges 2013/14 Budget Consultation document.
- To convey to the Executive, the Committee's grave concerns regarding the impact on the Library and Youth Services of budgetary cuts of 7% with the strong recommendation that those services are not required to implement savings at 7% in 2013/14 and that they are afforded budgetary protection in 2014/15.
- In light of the financial pressures on local authority budgets, to ask the Executive to give clear support and direction to the Director of Lifelong Learning to continue with and expand upon the Schools Modernisation Programme into future years with a view to establishing subject to identifying the availability of resources, an educational strategy for Anglesey based on a reduced number of schools and a pattern of modern area schools.

**ACTIONS ARISING:-**

- Scrutiny Link and Support Officer to collate the Committee's views regarding the initial 2013/14 Budget proposals for presentation to the Corporate Scrutiny Committee at its meeting scheduled for 28 January, 2013.
- Scrutiny Link and Support Officer to liaise with the Communications Officer to clarify with



the public press the background to the savings proposals with particular reference to those presented by the Youth Service.

Chair - Councillor Derlwyn Hughes.

**Friday, 25<sup>th</sup> – Environmental & Tech Services Scrutiny Committee:**

IT WAS RESOLVED :-

- To accept the draft proposals in respect of the 2013/14 budget but concerns were expressed to the reducing within the highway maintenance budget;
- That the provision of public conveniences on the Island should be reassessed with Town/Community Councils, together with local organisations, encouraged to take over and manage the toilets. Private businesses should also be encouraged to participate in the scheme to allow the public to use their public conveniences within their premises.

Chair – Councillor Keith Evans.

**7. Minutes of the Executive 7<sup>th</sup> January Budget Proposal Report:**

7.1 Scrutiny noted the outcome of the Executives initial budget report meeting, the minutes agreed the standstill budget and other budget information for the final settlement so the budget gap became £2.845m for £ 2013-14 as opposed to the provisional sum of £3.45m referred to in the report.

<b>C – Implications and Impacts</b>	
<b>1</b>	<b>Finance / Section 151</b>
<b>2</b>	<b>Legal / Monitoring Officer</b>
<b>3</b>	<b>Human Resources</b>
<b>4</b>	<b>Property Services</b> (see notes – separate document)
<b>5</b>	<b>Information and Communications Technology (ICT)</b>
<b>6</b>	<b>Equality</b> (see notes – separate document)
<b>7</b>	<b>Anti-poverty and Social</b> (see notes – separate document)
<b>8</b>	<b>Communication</b> (see notes – separate document)

<b>C – Implications and Impacts</b>		
	document)	
<b>9</b>	<b>Consultation</b> (see notes – separate document)	
<b>10</b>	<b>Economic</b>	
<b>11</b>	<b>Environmental</b> (see notes – separate document)	
<b>12</b>	<b>Crime and Disorder</b> (see notes – separate document)	
<b>13</b>	<b>Outcome Agreements</b>	

<b>CH - Summary</b>	
1.	The Scrutiny Members are supportive of the overall saving strategy.-----
2.	They view the differential percentage savings rates being applied as fairer than a blanket % due to the differing sizes of the directorates and the amount of previous year's efficiencies that were met. The capacity of services with small budgets cannot continue to take salami-slicing cuts and as such Scrutiny supports the proposal to give time for transformation of these services. They also agree that more time be given for the high risk large statutory services to transform. They now hope these services will start making inroads into re-modelling service provision without affecting current service delivery and meeting expected increasing demand. The proposed Strategy is a hybrid process, looking for 7% across the board was to give options to enable flexibility and provide a strategic view.
3.	Scrutiny members on the whole agreed the proposal of allowing some services, namely; Education/ Leisure, Social Services and the Corporate centre the time in 2013/14 to transform, with the caveat that transformation projects must be closely monitored to ensure delivery.
4.	Scrutiny members believed that savings proposals put forward by the Sustainability Development Directorate covering road maintenance, public conveniences and bus routes needed to be considered carefully before implementing them. It was felt that cutting highway maintenance would lead to larger costs in the future as two bad winters have

resulted in serious deterioration of the Island's highways.

5. In addition, it was suggested a reduction in savings required of the Libraries and Youth Service be looked at again.
6. With regard to the growth proposals Scrutiny agreed with the rejection of 17 bids and supported the 4 remaining bids proposed - Children Services (adoption & fostering panel), continued 3 years funding for Energy Island, Court Order Remands, and the 1 year Transformation transition working, total £383,890 this year 2013-14, and £300k in the following year 2 & 3.
7. Scrutiny want to see a more long term strategic approach being developed to create a Capital Programme. This work should start immediately. Asking for members opinions on a list of areas for capital investment that have not been costed or prioritised by officers was not seen as proper consultation by members. A comprehensive bidding framework should be put in place that allows all stakeholders to have a meaningful input. Will a costed and prioritised capital budget be available for consultation this year?
8. On the whole the suggested council tax rate increase was seen as a bit excessive and regrettable in an election year. The Budget Consultation document's suggested that this 5% was repeated for a further 2 years - Scrutiny do not support this suggestion at this time. A minority of Members suggested for this year a lower amount of 4.75% or 4.95% as a more palatable proposition. A few scrutiny members have requested further details on the reasoning behind putting £500,000 back into general reserves and how the Welsh Government's u-turn on providing extra funding for council tax support will alter the draft budget.
9. As mentioned above Scrutiny members would like it explained why officers are planning to put £500,000 back in general reserves, specifically in the light of Anglesey having the highest general reserves as a percentage of gross expenditure in 2010/11 out of all the Welsh L.A.s (*Source: W.A.O., L.A. Reserves & Unsupported Borrowing – research paper for Welsh Government July, 2012*).
10. Other general areas raised/suggestions for future consideration by the Executive:-
  - I. Make inroads into the debt on the authority's books, long term borrowing currently at £96k.
  - II. Undertake a piece of work to look at the option of prudential borrowing on the Smallholdings, as interest rates are current so low, use to bring the Estate up to repair and thus increasing future saleable prices.
  - III. Undertake work to ensure we have good tracking and governance arrangements in place for the work of the Partnerships, we need to monitor performance re VFM, to protect Anglesey's interests.

## **D - Recommendation**

### **Monday , 28<sup>th</sup> – Corporate Scrutiny Committee:**

RESOLVED –

- To note the 2013/14 draft Budget proposals as presented.
- To authorise the Chair in consultation with the Scrutiny Manager and Scrutiny Steering Group to formulate a formal scrutiny response to the Executive's Budget proposals.

ACTIONS ARISING:

- Scrutiny Manager to co-ordinate the formal scrutiny response to the Executive's initial 2013/14 Budget proposals.
- Head of Function (Resources) to circulate to the Members Quarter 3 data regarding the level of reserves and balances once the information is available.
- Head of Function (Resources) to provide Members with a written explanation for the proposed £500k provision to replenish reserves.

In the Chair: Councillor Ieuan Williams (Vice-Chair)

**This report contains the result of the 'Actions Arising' and presents the views of Scrutiny as a whole, as outlined in 'CH – Summary' above, and commends this report to the Executive as its formal response to the executives initial Proposals for the 2013-14 Budget.**

**Name of author of report: Scrutiny Champion & Vice-Chair of Corporate Scrutiny Committee**

**Job Title (assisted by): Scrutiny Manger (BASymonds)**

**Date 6<sup>th</sup> February, 2013**

## **Appendices:**

A - Summary Table of all the questions and answers received by Scrutiny

## **Background papers**

- Minutes of all the Scrutiny Committees held 21<sup>st</sup> – 28<sup>th</sup> January 2013.
- IOACC Meeting the Challenges Budget Consultation 2013/14
- Executive Meeting 7<sup>th</sup> January, 2013 – Initial budget proposal 2013-14 report
- IOACC Statement of Accounts ( past 3 years)
- Council Constitution
- IOACC Board of Commissioners – Quarter 1 Capital /Revenue reports
- Executives – Quarter 2 Capital/Revenue Report.
- General papers from budget workshops, service plans etc.

<b>REF</b>	<b>BUDGET SCRUTINY</b> [Following receipt of Executive budget proposal reports 19/11/12 & 7/1/13]. <b>KEY</b> <b>Q = QUESTION(s)....OR</b> <b>R = REQUEST FOR FURTHER INFORMATION:</b> <b>CROSS-CUTTING DIRECTORATE QUESTIONS &amp; REQUESTS ( R.1-7 &amp; Q.1-14):</b>	<b>Responsible officer:</b>	<b>SUMMARY ANSWERS</b>
Q1 R1	At the Portfolio Holders & Senior Leadership Team Workshop (20 <sup>th</sup> November 2012) a process of DEVELOP, SHARE, CHALLENGE & IMPROVE was undertaken for planning the 2013/14 Budget. Following this workshop the Service proposals were to be amended/improved following the challenge and feedback received <b>Q - Were these shared with Members at the workshop held on the 4th December 2012? R - If not, can we see these?</b>	All	Yes the responses informed the material for the 4 <sup>th</sup> December workshop. The scoring that took place was in the bundle of requested information, shared at the Corporate Scrutiny Committee meeting held Monday 28 <sup>th</sup> January, 2013.
R2	At the Budget workshop on the 4/12/2012, officers from each service area presented a 4-minute outline of the savings they were proposing in order to reach the corporate request for 7% efficiency savings on their current budget. Alternatively they offered reasons why they could not identify the requested level of savings (which would result in direct service cuts from staffing budgets). <b>R - It would be useful for us to have a hard copy of these presentations i.e. written form</b>	All	Have received only Legal & Committee Services Summary in writing and copy of the Energy Ireland proforma for a growth bid of £300k p.a. for 3 years. IT WAS Explained that these presentation contained very detailed cuts & savings options and thus was confidential. All the scrutiny meetings had the option to move into part II to discuss confidential material. None of the Committees took this option instead choose to ask questions re the said detail on the options, in public and answers provided by the relevant Service Directors. Minutes of each Scrutiny meeting will be a matter of public record.
R3	<b>A breakdown of any proposals made providing additional detail behind any figures, rather than previous years practice i.e. Social Services - £1.2m.</b>	All	There was a detailed pro-forma submission behind every proposal and the savings options put forward.
R4	Can you look at the 3 year statement of accounts, to provide us with ... a – any service specific trends identified showing <b>overspend</b> and <b>under-spend</b> , b - cost of use of Consultants over the past three years and any reduction, c - numbers of redundancies made in each of the past 3 years. (How does this compare <i>against numbers of staff currently employed?</i> *) d - How much have these redundancies cost? How much has been saved in comparison with the number of staff employed over the past three years i.e. saving on staffing budgets, e - staff budget line variances. to be continued...and added to, from service areas.	From Finance &/or HR data systems	The following was provided for all the Corporate Scrutiny Committee Members, for their consideration;- a. A copy of three years outturn: 2009-10, 2010-11, 2011-12. b. Consultancy costs (FOI report: 2005/6, 2006/7 2007/8, 2008/9, 2009/10) c. Redundancy costs for: 2010/11, 2011/12, 2012/13 d. Staffing Costs for: 2009/10, 2010/11, 2011/12. e. Numbers of Staff by dept & total for one year f. Summary of budget position Head of Function (Legal & Administration), g. Legal & Admin.'s: staffing structure and posts lost in past 2years, fees paid externally for legal work as oppose to internal hourly rates, & their Risk Register.

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R5	*Staffing numbers in each service area?	Director	As in (e.) above.
R6	<b>Most of the proposed saving or direct cuts will have an associated risk - are we able to know the risks associated with each one prior to accepting them?</b> (We assume, they were included in the presentations to the workshop - see R1 & linked Q2).	Directors	Risk Register on line for Members, all risks were assessed in the detailed service proposal meetings with service Heads and their relevant accountants. These meetings and a combination of reviewing the service plans and the first workshop helped frame the Executives initial proposal for the corporate budget.
R7	Can we please have the breakdown of costs associated to statutory and non-statutory services?	Finance	A comprehensive breakdown of this split is not immediately available. The question is also complicated by the fact that some services contain both statutory and non-statutory elements, and that even where provision is statutory, there is usually an element of discretion and choice in the level to which the service is provided and how it is provided. It is worth noting that both Public Conveniences and Economic Development are discretionary services.
Q2	Do all your proposals fit with the corporate direction for IOACC?	Directors	Yes.
Q3	Are the proposals achievable and sustainable?	Directors	In general – Yes, as this is the cornerstone of the proposed budget strategy. Specifics – At the Housing & SS Scrutiny Committee – Officers stated it is accepted that <b>Social Services</b> have to make savings due to the difficult financial outlook faced by the Council. In addition, it was emphasized that savings are being sought under challenging circumstances, as the nature of services provided are statutory in nature and demand led. Achieving the savings over the next financial year will be extremely difficult and success cannot be guaranteed.
Q4	Are the proposals sufficiently ambitious and challenging?	Directors	This was to be answered by going through the process. The proposals for Social Services are both ambitious and challenging. It requires a transformation in the way which services are provided. The saving proposals are extremely challenging, as historical savings under the Affordable Priorities Programme have to be achieved as well as savings amounting to £812,000 under 2013-2014 budget proposals.
Q5	Is there any conflict or benefit to your Portfolio proposals?	Directors	This is the process, no service/portfolio came up with a set of budget proposals without difficult decisions and many not deferred asking for planned stay of efficiencies.

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Q6	Re: the 7% savings requested for 2013/14 budget, does this include the savings from the previous APP or are these additional savings on top of the APP proposals?	Directors	It does. Savings previously programmed under the APP now form part of the base provision for individual services, plus a total of £480k (£150k in respect of procurement and £230k for staff travel) which appears as a separate line in Appendix A of the Consultation Report. Since then, adjustments have been made against contingencies, etc to reduce the staff travel item to £105k in 2013-14, and to reduce the expected savings for Social Care by £250k.
Q7	What were your APP saving proposals for 2012/13 and how much would be saved?	Directors	To answer this question would entail a separate piece of work. [SUGGEST WE NEED TO RE-WORD THIS]
Q8	How much of the APP savings or otherwise have been achieved over the last two years?	Directors	To answer this question would entail a separate piece of work. [SUGGEST WE NEED TO RE-WORD THIS]
Q9	How many of the APP proposals are you still pursuing? Are they achievable?	Directors	To answer this question would entail a separate piece of work. [SUGGEST WE NEED TO RE-WORD THIS]
Q10	Has an audit of staffing levels been conducted to identify any potential overstaffing in some areas?	Directors	To answer this question would entail a separate piece of work by HR.
Q11	Has a skills audit been carried out to allow staff to be transferred internally rather than advertise vacancies externally?	Directors	To answer this question would entail a separate piece of work by HR
Q12	When would, any proposed savings need to be implemented to have any effect on the 2013/14 deficiency?	Finance	Most of the proposals are for implementation from 1 <sup>st</sup> April 2013 for full year effect to be achieved by 31.3.14. A small number (eg School Meals) are based on implementation part way through the year.
Q13	Is there a cap on growth bids i.e. maximum amount that can be bid for?	Finance	No, not appropriate to have a cap. Assessment of need & risk determines approval. In total the bids game to £384k p.a., thus economic development is 75% of the total.
Q14	What is the redundancy tolerance level before services are adversely affected? When would these need to be implemented?	Director	This would show up in the process via the Directors and Heads of Service business plans and risk assessments.

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Q15	<p><b>Housing &amp; Social Services Scrutiny Committee – 21.1.13.(11am)</b></p> <p>What mitigation procedures are proposed to deal with potential non-payment of rents following the <b>welfare reform</b>?</p>	<p>Dir. Com./ + <b>Head Housing</b> Finance</p>	<p>(The Head of Service (Housing) was not able to be in attendance at the Housing and Social Services Scrutiny Committee to answer this specific question)</p> <p>The Welfare Reform Act will come into force during March 2013. The key changes under the Act is the reduction of council tax benefit (to be replaced with a council tax reduction scheme), the reduction in housing benefits and the rolling out of a universal credit to replace other existing benefits.</p> <p>In respect of the introduction of the new Council Tax reduction scheme the Council predicted a shortfall of approximately £ 200,000 and under the budget set aside this sum. On the 18/02/13 the Welsh Government announced that it would fund the full cost of the Council tax reduction scheme. Further clarification will be required from the Welsh Government before the sum set aside can be used for other purposes.</p> <p>In respect of possible non-payments of rent due to changes introduced by the Welfare Reform Act it was confirmed that provision is made in the Housing Revenue Account to deal with non-payment of rents. The sum is considered adequate at the moment.</p>
Q16	<p><b>PROPOSED SAVINGS/ Housing Service:</b> -£5,000 - Replace existing photocopiers with more modern equipment, 'all in one machines' - why isn't this being run out corporately to replace all the majority of photocopiers in the building? Are these cheaper in the long term in relation to toners etc. ?</p>	<p>Director Com.Head</p>	<p>(The Head of Service (Housing) was not able to be in attendance at the Housing and Social Services Scrutiny Committee to answer this specific question).</p> <p>It was confirmed that the Council as a whole is anxious to achieve savings through its corporate procurement initiatives.</p>
Q17	<p><b>Environment &amp; Tech Services Scrutiny Cttee – 25/1/13, (10:30am)</b></p> <p>Is there a budget to deal with any legal proceedings from late decisions on <b>wind turbine</b> planning applications?</p>	<p>Dir.Sustain-able Dev</p>	<p>The Authority has 56 days to deal with any applications that are submitted. These are subject to appeal as part of normal procedures. There is a small budget to deal with costs of any planning appeals lodged however no specific budget for wind turbine applications. Hasn't really been considered – advice given to Finance is that there isn't a big enough risk to identify a specific budget.</p> <p><b>Portfolio holder</b> for Planning believes that following the Council meeting of the 24/1/2013 the risk has increased.</p>



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Q18	Have any of the closed <b>public toilets</b> been sold? How much capital receipts were gained and where has this money gone?	Director	<p>6 public toilets closed following Scrutiny Panel review – 1 has been transferred to an individual in Brynsiencyn to be run as a toilet however the purchaser is delaying the process by not committing to taking over the lease. The other 5 have not been sold (no interest in Llanerchymedd; 20 interested parties for Menai Bridge Pier; Planning application in on South Stack – expected to fetch £100k on open market)</p> <p>Of the toilets that were already closed (3 locations) there has been some interest in the toilet in Amlwch.</p> <p>Any capital receipts gained will be put into central pot.</p> <p>Discussions held with Beaumaris Town Council and CADW re: Castle toilet;</p> <p>Economic Development grant as a spend to save initiative will spend £30k on renovation of toilets at Cemaes Bay (Beach) with the Community Council then happy to take over the running of the toilet once the work is complete.</p> <p>High budget when compared to other services i.e. Social Services or Education.</p> <p>Historic underspend has occurred due to success in the re-cycling service</p>
Q19	Given that <b>Waste Management</b> has historically been under spent should they be asked to identify 7% savings on an already lean budget/expenditure?	Director/ Finance	<p>Saving found through change in way of working i.e. focused visits rather than on an area basis. An element of the saving is linked to flexible retirements to reduce redundancy costs and an amalgamation of Environmental Health and Trading Standards</p>
Q20	<b>PROPOSED SAVINGS/ Public Protection:</b> -£100,000 - Proposed staff restructuring - how are they being re-structured? How many posts are proposed for redundancy? Breakdown needed	Director /HP&PP	<p>The funding is required to proceed with the Energy Island Programme Business Plan. More information is contained in the growth bid pro forma. The bid is for a 3 year period (2013/2014 to 2015/2016).</p> <p>(The importance of the Energy Island Growth bid was emphasised by Members. Some Members of the Committee questioning if the financial amount requested was high enough).</p>
Q21	<b>Economic, Tourism &amp; Property Scrutiny Cttee – 22/1/13 (10:30am)</b> <b>GROWTH BIDS/ Energy Island Programme (EIP)</b> -£300k - How is this proposed to be spent?	Head Ec.Dev	

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Q22	Is further investment actually needed in this area with any benefits coming from the Wylfa Nuclear new build happening regardless of whether the Authority spends an additional £0 or £1m on the EIP?	Head Ec.Dev/ Director	The question was not asked at the Economic Development, Tourism and Property Scrutiny Committee. <b>Asked in 29.1.13 workshop. Answer:</b> Directorate growth bid proformer was provided for Members. It detailed the need to facilitate the pass porting of job creation for Anglesey, it would be a dereliction not to plan for a major development being sited on the Isle, and start to plan infrastructure required etc for the benefit of the citizens of Anglesey not to be led by the developer.
Q23	<b>PROPOSED SAVINGS/ Property Service:</b> -£109,580 - <b>Proposed Team Restructuring</b> – This is a very specific figure suggesting proper plans are in place, what is being proposed? How many redundancies? Breakdown needed	Head of Property	The restructuring will lead to the deletion of vacant posts and retirements with possible redundancies. There will also be amalgamation of teams within the service.
Q24	<b>Education &amp; Leisure Scrutiny Committee – 24/1/13 (2pm)</b> Should the Shell fund be used to pay for Oriel Môn? Can it be used to provide funding for Amlwch <b>Leisure Centre/Library</b> thus reducing the cost to the Authority?	Finance	Not eligible
Q25	<b>The Education Support Service on a regional basis</b> was identified as saving £50k in 2013/14 – Is this going to be achieved?	Lifelong Learning	The saving is achievable and the Director is confident that the saving will be achieved
Q26	<b>School rationalization</b> – How much saving has been achieved from this process so far? Has there been an analysis of the potential redundancy costs from proposed closures at Holyhead and South East Anglesey? How does this compare to the savings made?	“	n/a
Q27	Are there additional costs associated to the <b>Post Estyn Inspection Action Plan</b> ? How have these been factored in?	“	There are two areas that will incur additional costs: 1 new post to assist in raising standards (3 years post) = <b>£80k (Been agreed to come from central improvement grant)</b> ; 1 new post to increase attendance rates (Welfare Officer) = <b>£40k</b> <b>Total = £120k</b>
Q28	<b>PROPOSED SAVINGS/ Leisure and Culture</b> -£48,000 - Income raising opportunity: 'Drawn to the Light', Sir Kyffin Williams and Venice, 2013 exhibition - <b>How has this figure been arrived at? Is it based on historic Kyffin Williams exhibition income?</b>	Dir. LL +H of Leisure	Oriel Môn going to pilot charging visitors for the first time for a 6 month period during a big exhibition.

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Q29	How much is the <b>Education Recovery Board</b> costing the Authority?	Lifelong Learning	5 Members of the Board and 1 Support Officer Holding monthly meetings for a period of 18 months – Total cost including travel and expenses circa <b>£150k</b>
Q30	<b>Corporate Scrutiny Committee – 28/1/13 (2pm)</b> Like to see the savings made to date on rationalization of IT equipment e.g. how many printers now print both sides, how many in total have we reduced by?	DCE/ Head I.T.	Corporate 28.1.13
R8 & Q31	How much has the <b>occupational health</b> contract cost us? How much has the sickness rates reduced? (to answer this need sickness rates for past couple of years for comparison purposes).	DCE	" =
Q32	Should a review be conducted of the APP?		" = Refer to answer for questions 7-9.
Q33	What services have been ring fenced?	"	" = Depends on definition of 'ring fenced', the Minister confirmed he wished schools to be protected for a further year. Education continues to have a significant overspend on the integration budget & has had for a number of years, if this level continues in 2013-14 it will absorb the protection afforded to schools. Thus, all areas were examined. No one service made the 7% requested efficiency. Sustainable Development Directorate came the closest. With Social Services, Education and Corporate all making bids for less at this time.
Q34	<b>PROPOSED SAVINGS/ Deputy Chief Executive</b> -£20,000 - Reduction in total cost of Members' Allowances (end of intervention/reduction in number of Members) - The figure seems low given that the number of Members will be reduced by 10 i.e. approximate allowance is circa £13,500 (basic), multiplied by 10 this equates to £135,000 - where has the additional £115,000 gone?	"	" = Note: The independent Remuneration Panel for Wales determine a mandatory national scheme for setting Council Members allowances. This year Anglesey Council is required to introduce a scheme which is about 13% higher than current allowances. However, the member numbers after the May Election will come down from 40 to 30 Members. It is up to individual Members whether to take up an allowance.
Q35	As the Executives Initial proposals for the 2013-14 Budget identified various savings proposals, does this mean that savings identified under the Affordable Priorities Programme now lapse and are superseded by the new saving proposals once they are agreed to by the full Council on 5 March 13?	"	" = No
Q36	What is the projected overspend by the end of the financial year 2012-2013?	Finance	" = This will be in the Quarter 3 Budget report for the Executive on 14 <sup>th</sup> February. The report is still being finalized, but will show a reduced overspend compared to that reported for Quarter 2.

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Q37	Will any overspend be offset against the Council's reserves?	=	" = Yes. Depending on which services the final overspend occurs in, some of it may be funded from Earmarked Reserves, but the main source of funding will be general balances.
Q38	What is the projected level of general revenue balance at the end of the 2012-13 financial year?	=	" = Approximately £4.4m which is lower than the required level. Consequently the proposed budget includes a £0.5m contribution to replenish balances, as well as a transfer from earmarked reserves of approximately £0.1m.

**NB: SUMMARY ANSWERS to all the above questions to be added to the Table after all the relevant Scrutiny meetings have met.**

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to</b>	<b>MEETING OF THE EXECUTIVE</b>
<b>Date</b>	<b>18 FEBRUARY 2013</b>
<b>Subject</b>	<b>MEDIUM TERM REVENUE BUDGET STRATEGY AND FINAL REVENUE BUDGET PROPOSALS FOR 2013-14</b>
<b>Portfolio Holder(s)</b>	<b>COUNCILLOR JOHN CHORLTON (FINANCE PORTFOLIO HOLDER)</b>
<b>Lead Officer(s)</b>	<b>CLARE WILLIAMS HEAD OF FUNCTION (RESOURCES)</b>
<b>Contact Officer</b>	<b>CLARE WILLIAMS/GILL LEWIS</b>
<b>Nature and reason for reporting:</b>	
To present the revenue budget proposals for 2013-14.	

#### **A – Introduction / Background / Issues**

See Section 3 of the report.

#### **B – Considerations**

See Section 2 of the report.

#### **C – Implications and Impacts**

<b>1</b>	<b>Finance / Section 151</b>	
<b>2</b>	<b>Legal / Monitoring Officer</b>	
<b>3</b>	<b>Human Resources</b>	
<b>4</b>	<b>Property Services</b> (see notes – separate document)	
<b>5</b>	<b>Information and Communications Technology (ICT)</b>	
<b>6</b>	<b>Equality</b> (see notes – separate document)	
<b>7</b>	<b>Anti-poverty and Social</b> (see notes – separate document)	
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<b>13</b>	<b>Outcome Agreements</b>	

<b>CH – Summary</b>
<b>D – Recommendation</b>
See Section 2 of the report.

**Name of author of report: Clare Williams, Head of Function (Resources)**

**Date: 18 February 2013**

<b>Appendices:</b>
Appendix 1    Summary of proposed budget 2013-14 Appendix 2    Final savings proposals Appendix 3    Summary of pressures Appendix 4    Summary of proposed growth Appendix 5    Proposed Budget 2013-14 – change from 2012-13
<b>Background papers</b>

## **1. MEDIUM TERM FINANCIAL PLAN AND 2013-14 BUDGET**

### **1.1 Purpose**

**1.1.1** The Executive has to agree a number of key 2013-14 budget matters, for recommendation to full Council on the 5th March. These are:-

- **the Council's revenue budget and resulting Council Tax for 2013-14;**
- **the Council's Treasury Management Strategy**

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;**
- **The Council's Capital Programme for 2013-14.**

### **1.2 Summary**

**1.2.1** This paper shows the detailed revenue budget proposals requiring final review and agreement for 2013-14 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 latest Medium Term Financial Strategy which provides a context for work on the Council's future budgets.

## **2. REVENUE BUDGET AND COUNCIL TAX 2013-14 RECOMMENDATIONS**

The Executive is requested:

- To note the formal consultation meetings on the budget as outlined in paragraph 4.1;
- To note the equalities impact assessment summary on the budget proposals in Section 7;
- 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 4.1.3;
- To agree the final details of the Council's proposed budget, investments, pressures and savings as shown in Appendices 1-5;
- To note the Section 151 Officer's recommendations that 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 Councils' precepts will be presented to Council on the 5<sup>th</sup> March;
- To authorise the Section 151 Officer to make such changes as may be necessary before submission to the Council.

### **3. BACKGROUND**

#### **3.1 A 'joined up approach'**

**3.1.1** A number of different reports for 2013-14 are being presented to the Executive in addition to the main revenue budget report. These separate reports are on the monitoring of the revenue budget 2012-13, Council's Treasury Management and Capital activities. Whilst the detail behind these was 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 Council funding is allocated to meet its priorities. In reality, the revenue budget is where the financial impacts of each come together as the following exemplification shows:

- The financing costs of the capital programme depend on the Council's Minimum Revenue Provision policy and the scale of the Capital Programme itself. The financing costs are a discrete 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. In turn, these have an effect on the Council's borrowing interest costs and investing activities which earn interest which, again, are discrete budgets in the Council's overall revenue budget;
- The revenue budget in general 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.

**3.1.2** Therefore, we are asking the Executive to consider the key budget issues together and

- 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 2012-13 budget.

### **4. THE COUNCIL'S REVENUE BUDGET AND COUNCIL TAX**

#### **4.1 Consultation**

**4.1.1** During the summer of 2012, Elected Members and Directors/Heads of Service approved a budget strategy for 2013-14 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 2012. In January 2013, the Executive approved the detailed Draft budget proposals with an updated MTRFS which have been consulted on as follows:

- With all elected members through two separate workshop sessions in December 2012 and January 2013;
- With all Scrutiny Committees in their January/February 2013 meetings 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 3 December 2012 and 4 February 2013;
- With the Town and Community Councils on 29 January 2013;
- With the economic forum on 7 February 2013;
- With the public, via the Council's website as per consultation report to be presented to Executive on 18 February 2013.

In summary, there was general acknowledgement of the financial pressures facing the Council. Whilst comments were made on a wide range of budget proposals, the main focus of comments was as follows:

#### **4.1.2 Public consultation**

- Public conveniences;
- Protection for social care;
- Leisure services given the opportunity to transform provision;
- Support for growth bids.

#### **4.1.3 Schools Forum**

- Acknowledgment of the cash increase of 2.08% in accordance with the WG commitment. and a positive response to the offer of support to the schools to develop spend plans for schools with sufficient reserves and those in or facing a deficit position.

#### **4.1.4 Town and Community Councils**

- Expressed an interest in exploring the possibility of working in collaboration to deliver services to the citizens of Anglesey, and wanted to commence the dialogue early in 2013 to ensure that sufficient time was built in to plan.

### **4.2 Revenue Budget 2013-14**

**4.2.1** The Commissioners approved the budget statement and strategy set out the Commissioners initial budget guidelines for the 2013-14 budget on 23 July 2012.

**4.2.2** The initial draft revenue budget proposals were presented to the Executive in December 2012, which presented a draft standstill position budget, highlighting a potential gap of £3.450m between the standstill position and the total of the Aggregated Exchequer Funding and 5% increase in Council Tax.

The report also referred to the ongoing work to identify the savings required at 7% 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 was intended to allow for the incorporation of protection for both education and social care, and also to allow for prioritization. The further progress that was then made and presented to the Executive at the meeting of 7 January is detailed under 4.3 below.

**4.2.3** The standstill budget included a "process contingency" of £500k for issues which had been identified as likely to need additional funding but it was still too early to quantify. This is a development from themes in 2012-13, and as we complete the forecast for 2012-13 year end position, it is becoming clear that the additional pressures on both Children's services and the level of savings expected from adult social care are both areas that are likely to cause problems going forward unless addressed.

- Children's services - £250k allocated for looked after children. There has been considerable pressure on this budget and this is forecast to continue into 2013-14. £600k was set aside to address this in the base budget presented in December. Since then, the pressures have actually further increased. This is due to a small number of children who have recently moved to the locality, but need significant levels of support. The families moved into the area part way through 2012-13 and the additional £250k is to cover the full year effect of the support needed in 2013-14;
- Adult Social Care - £250k allocated to allow the more gradual introduction of savings previously programmed in the APP. As noted elsewhere in the report, a certain level of protection has been given to Social Care budgets for 2013-14, both to recognise the immediate pressures that are being faced and the need to secure savings through a planned transformation of the service, rather than adopt more instant, but less structured savings. This allocation is a further aspect of this approach.

**4.2.4** 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 these two service budgets to contain the pressures on an on-going basis. There will be no sum available for a 'general contingency' from this for 2013-14, but other sums have been set aside as discussed in Section 4.6.

**4.2.5** Since the draft budget proposals were presented to the Executive on 7 January 2013, a number of issues have emerged which require amendments to the proposals and these are summarised in the table below.

<b>1</b>	The Process Contingency of £500k has been allocated to cover the following: <b>a)</b> a reduction of £250k in savings previously programmed in the Affordable Priorities Programme for 2013-14, in respect of residential care home fees, and <b>b)</b> an increase of £250k in the amount allowed for the forecast pressures for Looked After Children, from £600k to 850k.
<b>2</b>	Following the late changes that have been made to the implementation of Welfare Reform, the amount estimated to be required to cover the cost of increased service demand resulting from the changes, in Social Care and in Housing, has been reduced by £150k.
<b>3</b>	One of the service specific contingencies has been reduced by £50k.
<b>4</b>	There is a minor change to the Levies line, which has reduced by £3k.
<b>5</b>	Also as a result of the late changes to the implementation of Welfare Reform, it is estimated that the Council will benefit by a net increase in the amount of Council Tax collectable of £156k.
<b>6</b>	The Improvement Contingency is to be used to fund expenditure on the Education Improvement Board and other spending related directly to the improvement of services, and the description shown has been amended to clarify this.
<b>7</b>	A reduction of £125k in the savings previously programmed in the Affordable Priorities Programme in respect of staff car allowances.
<b>8</b>	Adjustments within Corporate and Democratic Costs, reducing the total by £135k.

**4.2.6** The Executive is requested to confirm the adjustments outlined above.

- 4.2.7** Affordable Priorities Programme. The separate APP line which appears in the reports of 3 December, 7 January and the Consultation Report includes just two items, £250k in respect of Procurement and £230k for Staff Travel (this will be reduced to £105k in the report to the Executive on 18 February). Other than these, all APP items have been integrated into the relevant service budgets and any significant variations against them are highlighted within budget monitoring reports. Any reduction of the original targets is separately highlighted and the budget report on 18 February will contain two examples of this, being the reduction in the saving expected to be achieved in 2013-14 from Staff Travel referred to above, and the allocation of £250k to Adult Social Care from the Process Contingency to allow the more gradual introduction of planned savings (this links to the wider theme of a level of protection for Social Care budgets to allow time for service transformation plans to be finalised and implemented).
- 4.2.8** Senior Management re-structuring – during 2012/13, the new SLT posts were advertised and successfully appointed to, and the full SLT is now in place. Following discussions and efforts to collaborate with other bodies on joint posts, the Council took the view that it needed to attract high calibre candidates for these positions in order to drive the Council forward and out of intervention. This necessitated setting out a package that attracted a higher salary than envisaged, and also included the ability to earn an additional 10% of salary by way of a collective bonus payment. As such, additional budget could have been required for 2013/14. SLT have collectively agreed that any potential bonus for 2013/14 will not be paid and the performance element will be considered in parallel with the implementation of the outcomes of job evaluation for all Council staff.

### **4.3 Savings**

- 4.3.1** The meeting of the Board of Commissioners held on 23 July 2012 considered a report which projected a funding gap of up to £4.3m in 2013-14. The percentage reduction in budgets needed to meet this was approximately 3.2%, but 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 would be more difficult than others to secure savings in the short-term. Specifically, it was recognised that that consideration needed to be given to protecting budgets for schools and in Social Services.
- 4.3.2** Different options for savings profiles were presented, showing the target reductions that would be set at different percentage levels if applied evenly across the board, with further columns showing the effect of protection for particular services. The base percentage which produced the required total saving was 7%. The table from the report of 23 July 2012 is reproduced below.

<b>Savings Rate: 7%</b>			
<b>Directorate</b>	<b>Saving</b>	<b>Saving Excl Schools</b>	<b>Saving Excl Schools and Social Services</b>
	£m	£m	£m
Lifelong Learning (including schools)	3.59	1.20	1.20
Community Services	3.14	3.14	0.63
Sustainable Development	2.12	2.12	2.12
Deputy Chief Executive/Corporate and Democratic Costs	0.58	0.58	0.58
<b>Total</b>	<b>9.43</b>	<b>7.04</b>	<b>4.53</b>

**4.3.3** Following on from this, Directorates were asked in August-September 2012 to produce savings proposals based on this profile. The proposals were challenged, reviewed and validated over the following weeks (this included Members' workshops in November and December). Revised targets were then derived for each Directorate, based both on the assessment of the achievability of the individual savings proposals put forward and on the wider factors referred to above. The overall savings required from services were now estimated at £2.940m.

**4.3.4** The results of this were shown in Appendix C to the report considered at the meeting of 7 January, and are summarised in the table below.

<b>Budget 2013/14: Savings Targets and Amounts Identified</b>		
<b>Directorate</b>	<b>Revised Target</b>	<b>Possible Savings Proposed By Services</b>
	£'000	£'000
Lifelong Learning (including schools)	250	506
Community Services	965	996
Sustainable Development	1,486	1,856
Deputy Chief Executive/Corporate and Democratic Costs	239	817
<b>Total</b>	<b>2,940</b>	<b>4,175</b>

**4.3.5** During the Scrutiny and consultation processes, the following areas were highlighted for further consideration.

- Whether any savings to be taken from the Youth Service and the Leisure Service could be kept to a minimum.
- There were significant concerns about the impact of implementing the closure of all Public Conveniences. It was recognised that the way in which the service is provided needed to be reviewed, but there was a strong preference for the development of alternative arrangements rather than closures.
- There was concern about the level of proposed reductions on highways infrastructure spending.

**4.3.6** In response to this:

- The savings within the Youth Service included in the final proposals, have been limited to £28k, or just under half of the possible reductions put forward.
- The savings in the Leisure Service have been limited to the revised target of £100k, or just under £60% of proposals totalling £168k.
- The proposal to close all Public Conveniences, saving £228k, has not been included in the final list. Instead, to reflect comments that have been made about possible alternative ways of providing the service, and the need to make sure that progress is made in doing this, the service is to make a saving of £19k in 2013-14.
- It has not been possible to significantly reduce the savings that will be made from spending on highways infrastructure, but the reduced target set has allowed the service to decrease the figure slightly, from £343k to £300k.

**4.3.7** In addition, the Directorates have carried out further work to prioritise their proposals, with the reduced targets allowing consideration to be given to relative risk, impact on service capacity, etc. The total required from the services was also revised downwards by a further £80k, to £2.860m.

**4.3.8** From this, a final list of proposed savings has been drawn up. This is summarised below and set out in detail in Appendix 2.

<b>Budget 2013/14: Targets, Amounts Identified and Final Proposals</b>			
<b>Directorate</b>	<b>Revised Target</b>	<b>Savings Proposals</b>	<b>Final Prioritised Savings Proposals For Delivery</b>
	£'000	£'000	£'000
Lifelong Learning (including schools)	250	506	307
Community Services	965	996	978
Sustainable Development	1,486	1,856	1,336
Deputy Chief Executive/Corporate and Democratic Costs	239	817	239
<b>Total</b>	<b>2,940</b>	<b>4,175</b>	<b>2,860</b>

**4.4 Pressures and Growth**

**4.4.1** The appendices to the report of 7 January included allowance for pressures and growth totalling £1.3m and £84k respectively. At the meeting, it was decided that an additional growth item of £300k in respect of Energy Island should be added to the recommendations.

<b>Budget 2013/14: Pressures</b>	
<b>Description</b>	<b>Amount</b>
	£'000
Looked After Children	600
Welfare Reform	200
Schools Protection	500
<b>Total</b>	<b>1,300</b>

<b>Budget 2013/14: Growth</b>	
<b>Description</b>	<b>Amount</b>
	£'000
Social Services:	
Adoption and Fostering Panel Representation	28
Court Ordered Remands	28
Transition Working	28
Energy Island	300
<b>Total</b>	<b>384</b>

4.4.2 Appendix CH to the report listed a larger number of growth bids, but showed that the majority of these were not recommended for approval. A rigorous approach was taken to evaluation of these bids but, in the current financial climate, approval was only recommended in exceptional circumstances.

4.4.3 There have been two developments since the last report in respect of the listed pressures.

- The latest figures available suggest that a greater allocation is needed for Looked After Children, and so a further £250k has been allocated from the Process Contingency.
- A recent announcement of a change in the way that Welfare Reform is to be implemented, which means that the anticipated impact on demands for support will be less than previously thought. As a result of this the allocation made has been reduced to £50k.

4.4.4 Although the Energy Island bid was subjected to close examination during the Scrutiny process, all comments received were ultimately supportive of the four growth items.

4.4.5 The updated table for the pressures is shown below. The recommended growth items are unchanged from those of 7 January.

<b>Budget 2013/14: Updated Pressures</b>		
<b>Description</b>	<b>Original Amount</b>	<b>Revised Amount</b>
	£'000	£'000
Looked After Children	600	850
Welfare Reform	200	50
Schools Protection	500	500
<b>Total</b>	<b>1,300</b>	<b>1,400</b>

4.4.6 Further detail of pressures and growth are shown in Appendices 3 and 4 respectively

## 4.5 Council Tax

4.5.1 The standstill position within the Commissioners' report in July and subsequent Executive reports assumed a council tax increase of 5%. This equates to £939.14 or £18.06 per week. Each 0.5% reduction or increase is equal to approximately £130k. If the council tax is set at 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

86p. Even with a 5% increase, Members are reminded that overall the Council Tax level in Anglesey remains one of the lowest in Wales.

**4.5.2** 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.

**4.5.4** In addition to the above, the council tax base during 2012-13 has decreased by 0.65%. This is because, although the base number of properties has actually risen slightly (by 0.35%), the decision was made to raise the allowance for non-collection from 1.5% to 2.5%, to allow for the expected impact of the new arrangements for Council Tax support (see report 19 November 2012). As a result of this, the increase of 5% in the basic amount of tax will produce an actual increase in revenue of just over 4.3%.

#### **4.6 General and Specific Reserves, Contingencies and Financial Risks**

**4.6.1** 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 2012-13 has direct implications for the 2013-14 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 £1.0m is currently forecast at the corporate level (although approximately half of this will be offset from unallocated contingencies in revenue funding of the Capital Programme), 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, and the recommendation that £500k should be put back into general reserves in 2013-14.
- Savings and additional income proposals in this report amount to £2.860m and will need to be delivered in order to achieve a balanced budget for 2013-14. 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 risk 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 their planned savings.
- 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 savings required has necessitated the inclusion of challenging strategic and transformational proposals, in particular within Social Services. There is an inherent financial risk around achieving changes in time to deliver this type of planned saving.
- Inflationary increases in budgets have been set at a low level, consistent with most other local authorities. Invariably, this introduces a degree of financial risk as key inflationary pressures are not known with certainty at this time, but this financial risk is no higher than in any other year;

- 4.6.2** 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.
- 4.6.3** In light of the above underlying risks and uncertainties set out in Section 5.1 below and the issues identified in paragraph 4.6.1 above, 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.
- 4.6.4** 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's budget, and reserves must also be adequate to absorb these pressures.
- 4.6.5** The budget for 2012-13 included a planned use of £1.2m of reserves, of which £900k would come from general balances and £300k from earmarked reserves. This meant that general balances would be reduced to £4.9m by the end of 2012-13, which was slightly below the previously determined threshold of £5m. The consultation report identified that, because of overspends during the year, the actual figure was likely to be lower, at between £4m and £4.5m. The details in the separate Quarter 3 monitoring report on this agenda show that the latest overall projection is an overspend of £1.9m across a number of service and corporate budgets, reduced by slippage contingency, unused contingencies and budgets clawed back, giving a projected deficit for the year of £1.0m. After the proposed further use of £500k of unallocated contingencies in revenue funding of the Capital Programme, this will produce a year end general balance of £4.4m.
- 4.6.6** In determining the threshold of £5m, consideration was given to the general 'rule of thumb' analysis for the level of general reserves suggests this is at least 5% of net revenue expenditure (excluding schools' 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.
- 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;
  - Budget risks have been addressed in the proposals but remain variable and high risk;
  - 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;



- 4.6.7** 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's budget, and reserves must also be adequate to absorb these pressures. For these reasons, it is proposed that provision should be made for a contribution of £500k in to general reserves in 2013-14.
- 4.6.8** Schools balances have been high in the past, which has provided adequate cover for most risks. The reduction in schools balances does reduce that level of comfort, but this is mitigated by the protection given to school budgets this year.
- 4.6.9** The principal contingencies provided for in the budget both relate to the current processes of securing budget reductions and implementing service transformation (Severances Contingency £1m and Cost of Change £500k). The Job Evaluation Contingency will meet the cost of any expenditure in this area during the year, the amount of which is uncertain, with any balance being added to the corresponding reserve that has been set aside to cover the future costs. The service specific contingencies relate to particular issues which are the subject of contractual negotiations and other decisions not fully within the Council's control, and where the estimated cost is significant, but not known with certainty.

## **5. ROBUSTNESS OF ESTIMATES**

- 5.1** 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 reserves, and requires the Council to take account of this report as it adopts its budget.
- 5.2** Budget estimates are all based on assumptions about the future. These issues are interconnected. Budgets may not be exactly calculated because of estimation or risk - but the impact can be mitigated if there are good contingency plans, contingency budgets or financial reserves. Their robustness depends on how reasonable these assumptions are.
- 5.3** 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.
- 5.4** **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 1% allowance has been made for new pay awards in 2013-14, but this seems a fairly realistic assumption in current circumstances. General inflation has remained stable at 2.7% since October 2012. The general expectation is that this will fall slightly in the coming months, remaining at or around the 2% target figure in the medium term. This is in line with the level assumed in the standstill budget approved in December 2012. However, there is always an element of risk in predicting inflation rates, although a variation of more than 1% in either direction appears very unlikely.

- 5.5 Interest Rate Risk** Interest rates mostly 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 2014 and beyond. As in previous years, this is a compensating risk for inflation risk because if one increases the other is likely to compensate.
- 5.6 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 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 objectives that the Council decides 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.
- 5.7 Income Risks** The budget is based on securing an overall 2% increase in income, although a number of services have assumed rises of 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 reduced income.
- 5.8 Optimism 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. Para 5.11 below goes into further detail.
- 5.9 Over-caution Risk** This is the opposite of optimism risk: the danger that our budgets have been drawn up with too much caution, and so are more than is required.
- 5.10 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 (£450k in 2013-14) towards the cost of the new pay structure.
- 5.11 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<sup>st</sup> April 2012. 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<sup>st</sup> April will cause pressures in 2013-14. A 3 months slippage of all savings equates to £0.7m.
- 5.12 Social Care and Residential Fees** - Inflation of 2% has been built into the budget for 2013-14. At present the increase in these fees is being determined and will be negotiated with providers. If this is more than 2%, actions will need to be taken to address this. To mitigate this risk a contingency has been set aside.

**5.13 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 Severance Contingency of £1m has been included in the budget.

**5.14 Outcome Agreement grant** - The budget for 2013-14 assumes that 75% of the full grant of £729k will be received in 2012-13 in respect of 2012-13 performance. Although the full grant was received this year in respect of 2011-12, this is still 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.

**5.15 Council Tax Support Scheme** - A sum of £200k has been included in the budget to provide for the additional net cost to the Council of the operation of the Council Tax Support Scheme, over and above the £4.625m allowed for in the Final Settlement. A significant change was approved in January which will be covered by a specific grant additional to the Settlement. However, given that this is the first year of the scheme and the variable nature of a number of aspects within it, there is an inevitable degree of uncertainty. The latest estimates suggest that actual costs might be higher.

## **6. PROPOSED BUDGET & COUNCIL TAX LEVEL**

**6.1** The table below shows the available and required budget funding with an increase in Council Tax of 5%, representing an increase of £18.06, or 86p 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.

By way of background, currently the rate of RPI is 3.1% and CPI 2.7% as at December 2012.

<b><u>Budget requirement</u></b>	<b>£000 5%</b>
Base Budget 2011-12	119,035
Inflation & Re-pricing adjustments	12,193
<b>BASE BUDGET 2012-13 (before investments/savings)</b>	<b>131,278</b>
Budget Adjustments	(552)
Budget investments	384
Budget savings	(2,860)
<b>BASE BUDGET 2012-13</b>	<b>128,250</b>
<b><u>Funding available</u></b>	
Final WG Settlement	100,227
Increased Council Tax @ 5%	28,023
<b>Total</b>	<b>128,250</b>
<b>Balance available</b>	<b>0</b>

**6.2** 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.

## **7. EQUALITIES IMPACT ASSESSMENTS**

- 7.1 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 results of such assessments.
- 7.2 As part of the 2013-14 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 EIAs is available on the Council's intranet site. Commentary on individual proposals is contained within the appendices. Proposals which are likely to have a significant impact will need to be monitored closely by the service.

## **8. TREASURY MANAGEMENT STRATEGY**

- 8.1 In accordance with the CIPFA Code of Practice on Treasury Management the Council is required to approve the 2013-14 Treasury Management Strategy Statement and Investment Strategy prior to the beginning of the financial year. The Treasury Management Strategy for 2013-14 was presented to Audit Committee on 5<sup>th</sup> February 2013.

## **9. UPDATING THE MEDIUM TERM REVENUE BUDGET STRATEGY**

- 9.1 The initial budget report presented to the Executive on 3<sup>rd</sup> December 2012, 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.

- 9.2 The table below is a further update of the medium term financial strategy, which has been updated for the proposed 2013-14 budget and the following assumptions for 2014-15 to 2015-16:

- Pay - 1%;
- Inflation – 2%.

	<b>2012-13 £m</b>	<b>2013-14 £m</b>	<b>2014-15 £m</b>
Previous Year Budget	125.6	128.2	130.4
Schools Inflation and Protection	0.8	0.5	0.5
Cost Increases	1.5	2.6	2.6
Demographic Changes	0.6	0.5	0.5
Capital financing and Interest	0.1	0.1	0.1
Financing unsupported borrowing	0.0	0.2	0.4
Salary & Grading Review	-0.4	1.3	0.7
Investing in change	1.5	-0.1	-0.3
Contribution to balances	0.5	-0.5	0.0
Identified Pressures	1.0		
Other growth	0.4	0.7	1.0
Savings	-2.9		
Funding Gap		-3.1	-4.0
<b>Total</b>	<b>128.2</b>	<b>130.4</b>	<b>131.9</b>
Funded by WG funding	100.2	101.0	101.0
Council Tax	28.0	29.4	30.9
Reserves	<b>128.2</b>	<b>130.4</b>	<b>131.9</b>

- 9.3 The medium term financial strategy will need to be reviewed and updated during the early part of 2013-14 to ensure that forecasts and assumptions remain as accurate as possible.

## **10. LINKS TO COUNCIL POLICIES AND PRIORITIES**

**10.1** In drawing up budget proposals, due regard has been given to key Council policies and priorities

## **11. OPTIONS AVAILABLE**

**11.1** The Executive must agree a recommended Council Tax and 2013-14 revenue budget to Council. Members have various options open to them on the detailed budget proposals contained within this report.

## **12. COMMENTS OF MONITORING OFFICER**

**12.1** The Revenue Budget Report has been prepared in accordance with the requirements of the Local Government Act 2003 and the Local Government Finance Act 1992. In accordance with Section 25 of the 2003 Act, the Executive must have regard to the advice of the Head of Function (Resources), as the Council's Chief Finance Officer, regarding the robustness of the budget estimates and the adequacy of the financial reserves. This advice must be taken into account when considering the proposals in the Report and in making recommendations to Council regarding the budget and the Council tax rate. In accordance with the Functions and Responsibility Regulations, agreeing the budget and setting the Council Tax rate under the 1992 Act is a matter for full Council. Therefore, the recommendations of the Cabinet will be subject to ratification and approval by full Council.

## **13. STAFFING IMPLICATIONS**

**13.1** The budget proposals outlined in the report will have a direct impact on employees across the Council, including, potentially, schools. Changes to structures and staffing will be required to make the necessary savings. This transformation agenda will be supported through Human Resources, ensuring that the Council's services are financially sustainable into the future and continue to deliver high quality to Anglesey's citizens. The change programme will need to incorporate meaningful consultation with trade unions and affected employees and this has already commenced.

**13.2** The Council will aim to minimise the impact of the budget proposals on employees across our services, and a number of actions are currently being undertaken to assist in this e.g. restrictions on recruitment, reduction in use of agency staffing and overtime. However, given the scale of the challenges facing the Council over the next 3 years, it has to be recognised that the Council cannot rule out having to make redundancies. All employees directly affected will be supported by the provisions of the relevant policies, which aim to minimise compulsory redundancies and retain employees in our employment wherever possible.

## **14. LOCAL ISSUES**

**14.1** The budget proposals as shown affect the County as a whole although some specific proposals may affect certain localities more than others.

## **15. CONSULTATION**

**15.1** Wide consultation on the budget has been undertaken, as outlined in paragraph 4.1 of the report.

Summary of proposed budget 2013-14					
	Draft Standstill Position after provisional settlement 3 Dec 2012	Final Settlement changes and other adjustments	Savings proposals (see Appendix 2)	Proposed Growth (see Appendix 4)	Proposed Budget
	£000	£000	£000	£000	£000
<b>Directorate</b>					
Lifelong Learning (including schools)	47,485		-307		47,178
Community Services	31,883	-85	-978	84	30,904
Sustainable Development	22,592	-190	-1,336	300	21,366
Deputy Chief Executive	8,316	29	-239		8,106
Corporate and Democratic Costs	2,269	-235			2,169
Council Tax Support - additional responsibilities	4,468	357			4,825
Levies	3,223	-3			3,220
Capital Financing and Interest	7,185				7,185
Recharges to HRA/ DSO	-358				-358
Affordable Priorities Programme Initiatives (savings)	-480	125			-230
<b>Total</b>	<b>126,583</b>	<b>-2</b>	<b>-2,860</b>	<b>384</b>	<b>124,365</b>
Outcome Agreement Grant	-545				-545
Improvement and Education Recovery Board	190				190
Process Contingency	500	-500			0
General Contingency	0				0
Job Evaluation Contingency	900	-450			450
<b>Sub Total Standstill Budget</b>	<b>127,628</b>	<b>-952</b>	<b>-2,860</b>	<b>384</b>	<b>124,460</b>
<b>From Medium Term Plan:</b>					
Additional Job Evaluation Contingency	400	-400			0
Additional Unsupported Borrowing Contingency	200	-200			0
<b>Pressures:</b>					
- Looked after Children	600	250			850
- Autoenrolment	200	-200			0
- Welfare Reform	200	-150			50
- Schools Protection	500				500
Severances Contingency	1,000				1,000
Cost of change Contingency	500				500
Other Specific Contingencies	0	600			350
Contribution from/ to Balances	0	500			500
<b>Total before Savings</b>	<b>131,228</b>	<b>-552</b>	<b>-2,860</b>	<b>384</b>	<b>128,210</b>
<b>Funded by:</b>					
Aggregate External Funding	99,961	266			100,227
Council Tax	27,867	156			27,867
Discretionary Rate Relief	-50				-50
<b>Total Funding</b>	<b>127,778</b>	<b>422</b>	<b>0</b>	<b>0</b>	<b>128,210</b>
<b>Funding Gap</b>	<b>3,450</b>	<b>-974</b>	<b>-2,860</b>	<b>384</b>	<b>0</b>

BUDGET 2013-14: FINAL SAVINGS PROPOSALS		
	Savings Prioritised To Meet Target £'000	Equality Implications
<b>Lifelong Learning</b>		
<b>Education Service</b>		
Dyslexia	-40	It should be noted that plans which have already been implemented have reduced the risk in respect of pupils with Special Educational Needs. The proposals are unlikely to affect any group disproportionately.
Inclusion (Secondary Behaviour)	-29	
Ysgol y Bont Support	-13	
10% cuts across all headings - Supplies & Services	-77	
Cynnal/GEGYR (minimum)	-50	
School Meals (7 months)	-70	
<b>Total</b>	<b>-279</b>	
<b>Youth Service</b>		
Community Wardens	-12	The proposals are unlikely to affect any group disproportionately.
Reduce Hours Area Leaders	-5	
Cut grant - Urdd and Young Farmers	-1	
Transfer Penmydydd and sell Llansadwrn	-10	
<b>Total</b>	<b>-28</b>	
<b>Lifelong Learning Total (Original Target £3.743m)</b>	<b>-307</b>	
<b>Deputy Chief Executive</b>		
<b>Central Services</b>		
Staffing/Supplies and Services.	-50	The proposals are unlikely to affect any group disproportionately.
Policy Service - Corporate savings on postages/use of pre paid envelopes	-20	
<b>Total</b>	<b>-70</b>	

<b>BUDGET 2013-14: FINAL SAVINGS PROPOSALS</b>		
	<b>Savings Prioritised To Meet Target</b>	<b>Equality Implications</b>
<b>Corporate and Democratic Costs</b>		
Reductions in transactional processing costs following implementation of Finance and HR systems and other initiatives	-50	The proposals are unlikely to affect any group disproportionately.
Reduction in total cost of Members' Allowances (end of intervention/reduction in number of Members)	-20	
Reduction in audit fees as result of reduction in numbers of specific grant audits.	-50	
Training budget (corporate)	-10	
Training budget (services)	-39	
<b>Total</b>	<b>-169</b>	
<b>Deputy Chief Executive Total (Original Target £0.579m)</b>	<b>-239</b>	
<b>Sustainable Development</b>		
<b>Planning</b>		Statutory planning services have an impact on job creation and affordable housing which may have a disproportionate impact on the Welsh language, young families and poorer members of society.
Staff secondment to Ynys Ynni	-40	
Supplies & Services	-10	
Pre-Application Fees	-10	
Professional consultancy services	-1	
Building Control Collaboration Project	-14	
Property and Environment Grant Fees	-25	
<b>Total</b>	<b>-100</b>	
<b>Public Protection</b>		Statutory public protection services have an impact on job creation and affordable housing which may have a disproportionate impact on the Welsh language, young families, older people and poorer members of society.
Proposed Staff Restructuring	-70	
Increase in selected fees and charges above the corporate ceiling of 2%	-10	
Income from Ynys Ynni	-5	
Efficiency changes in supplies and services budget (including CIVICA contract)	-15	
<b>Total</b>	<b>-100</b>	



<b>BUDGET 2013-14: FINAL SAVINGS PROPOSALS</b>		
	<b>Savings Prioritised To Meet Target</b>	<b>Equality Implications</b>
<b>Waste</b>		
Close All Public Conveniences	-19	Likely to have a disproportionate effect on the older people, families with young children, disabled people and some religious groups. Will require a detailed EIA.
Waste Haulage from Penhesgyn and Residual Waste Disposal	-106	Will not affect any relevant group disproportionately.
Street Cleansing Service	-125	Will not affect any relevant group disproportionately.
<b>Total</b>	<b>-250</b>	
<b>Property</b>		
Reduction in building specialist consultancy budget	-13	
Efficiency savings by reducing costs and contingencies	-74	The effect of the proposed savings is unlikely to affect protected groups any more than other groups of people.
Holyhead Fishdock Dockmaster Deletion of Post	-34	
Delete Vacant Posts Architectural Services Team	-6	
Maritime Income	-2	
Proposed Team Restructuring		The effect of the proposed savings will initially affect all groups of people equally but, in the event of unplanned building closures, there may be disadvantages to certain groups, eg age-related, disability groups and pregnancy and maternity groups, as these groups will be less able to access alternative service provision.
<b>Total</b>	<b>-71</b>	
	<b>-200</b>	
<b>Highways and Transportation</b>		
Withdrawal and major reductions in bus services	-90	The proposal will have a disproportionate impact on the young, elderly and disabled and will require an in-depth EIA.
Reduce road safety & footpath maintenance budgets and increase car parking charges	-66	Reductions in cycle training will adversely affect primary school children but there is an alternative source of funding from WG which will ensure continuation of the service in the short term.
Reduction in highway infrastructure maintenance	-300	A deteriorating road network will affect the disabled and elderly disproportionately. However, the deterioration will be gradual.
Restructuring resulting in staff savings, reduction in call out budgets, and supplies and services	-124	The effect of the proposed savings is unlikely to affect protected groups any more than other groups of people.
Increase use of Council vehicles and hired vehicles in place of travelling expenses	-20	No effect on any of the protected groups.
<b>Total</b>	<b>-600</b>	
<b>Economic Development</b>		
Administrative Savings	-41	The proposed financial savings will not unlawfully discriminate; impact adversely on 'protected groups'; compromise equality of opportunity or negatively affect relations between different groups.
Reductions in grant support	-33	
Cruise Marketing	-12	
<b>Total</b>	<b>-86</b>	

BUDGET 2013-14: FINAL SAVINGS PROPOSALS		
	Savings Prioritised To Meet Target	Equality Implications
<b>Sustainable Development Total (Original Target £2.122m)</b>	<b>-1,336</b>	
<b>Community</b>		
<b>Housing</b>		
Estate Management Officer with responsibility for Private Sector Leasing properties	-25	The proposals are unlikely to have an impact (positive or negative) on any of the protected groups or on the Council's ability to comply with its Welsh Language Scheme.
Replacing existing photocopiers and printers with more modern equipment, an 'all-in-one machines' which scans, photocopies and prints, which are networked into the IT system	-5	
Budget realignment with HRA	-20	
Clerical assistant	-16	
<b>Total</b>	<b>-66</b>	
<b>Social Services</b>		
Joint Funding SCS Integrated Manager	-18	None.
ACTIVITIES CO-ORD(SOC.EXCL)	-19	None.
Charing Capacity – Terminate use of Sessional Chairs of Case Conferences and Statutory Reviews	-5	None – providing the same level of service in-house with greater efficiency.
Bryn Hwfa - Manager Post	-33	None.
Queens Park has been closed during 2010/11—Most staff were either made redundant or redeployed during 2011/12	-150	1 - Will reduce the availability of residential care for children and young people in their local community. 2 - Ability to place Welsh-speaking children in a bilingual residential setting will be compromised.
Service Level Agreements with the Voluntary Sector	-74	1 - Will reduce the availability of support for children and young people in their local community. 2 - Impact on children with disabilities, young carers and children living with domestic abuse.
Family Support Budgets	-13	1 - Will reduce the availability of support for children and young people in their local community. 2 - Impact on most vulnerable families in the community.
RATIONALISATION/TRANSFORMATION OF ADULTS' SERVICES COMMISSIONING/General review of Provider Unit budgets and costs	-500	The net financial challenge for the Service during 2013/14 will be circ. £1.29m (this includes £500k transformation + £390k APP + £900K underlying service pressures during 2012/13 which are associated with individual support packages. This figure also allows for some provision for demographic growth). This proposed service transformation, if realised, will have a direct impact upon the following protected groups in particular: a. Age; b. Disability.

BUDGET 2013-14: FINAL SAVINGS PROPOSALS		
	Savings Prioritised To Meet Target	Equality Implications
		<p>The <b>transformation programme</b> is underpinned by 23 separate work streams which are to be implemented over a 3/5 year period. These work streams include:</p> <ol style="list-style-type: none"> <li>1 - Transforming residential services for older people – which is the subject of a separate, comprehensive equality impact assessment;</li> <li>2 - Reviewing all care packages in line with eligibility criteria (at critical and substantial) and maintaining all new service responses at critical and substantial;</li> <li>3 - Outsourcing of domiciliary care – to independent sector</li> <li>4 - Review of Third Sector investments</li> <li>5 - Decommissioning meals on wheels service</li> <li>6 - Review of user transport services</li> <li>7 - Improved commissioning of independent sector domiciliary care</li> <li>8 - Review of in-house day services for learning disabilities.</li> </ol> <p><b>Care and support packages</b> are commissioned in order to meet need and protect vulnerable adults within the Local Authority's eligibility criteria. All current users receiving adult social care services commissioned by the Local Authority will need to be reviewed as statutorily required. It is the outcome of these individual reviews that will enable the process of agreeing new and revised care packages. The outcome of this process will inform the degree to which the Service is able to mitigate the 2012/13 underlying pressures associated with individual support packages.</p>
<b>Total</b>	<b>-812</b>	
<b>Leisure and Culture</b>		
Income Raising Opportunity: 'Drawn to the Light', Sir Kyffin Williams and Venice, 2013 Exhibition	-48	
Leisure Service - Additional increases in Fees & Charges	-15	The proposals are unlikely to affect any group disproportionately.
Leisure Service - Changes in staffing hours and increased charges to grant-funded projects	-15	
Leisure Centres - Changes in staff working patterns	-12	
Leisure Centres - General reduction in budgets	-10	
<b>Total</b>	<b>-100</b>	
<b>Community Total (Original Target £2.986m)</b>	<b>-978</b>	
<b>Total</b>	<b>-2,860</b>	

Summary Of Pressures	£'000	
<b>Lifelong Learning</b>		
<b>Education Service</b>		
Schools Protection	500	The protection level advised by the Welsh Government is a 2.08% uplift from the previous years delegated budget, with the finance department having come to a standstill position, it has been identified that on the delegated budget there is a shortfall of approximately £500k to achieve the protection level.
<b>Community</b>		
<b>Social Services</b>		
Looked After Children	850	Funding is required to meet the accommodation costs of looked after children in special provision, and to meet the full year costs of additional placements during 2012-13.
Welfare Reform	50	This funding is needed to provide for the expected rise in demand for services as a result of the impact of welfare reform on individuals.
<b>Total</b>	<b>1,400</b>	

Summary Of Proposed Growth	£'000	
<b>Sustainable Development</b>		
<b>Economic Development Service</b>		
Investment and contribution to the Energy Island Programme (EIP)	300	<p>The Isle of Anglesey County Council (IACC) created the Energy Island Programme (EIP) in 2010, and its core funding comes to an end in March 2013. The role of the EIP is to facilitate private and public sector collaboration making sure low carbon energy developments happen in Anglesey, bringing with them maximum benefit to the area.</p> <p>The key outcomes that will be pursued are:</p> <ul style="list-style-type: none"> <li>• Contribute £2.34bn to Anglesey &amp; NW Wales economy (2010–2025);</li> <li>• Significant job opportunities (direct, indirect and induced) up to 6,000;</li> <li>• Increased prosperity;</li> <li>• Considerable improvement in education, skills and retainment of young people (and skills) strengthening the Welsh Language;</li> <li>• Potentially significant legacy benefits.</li> </ul>
<b>Community</b>		
<b>Social Services</b>		
Adoption and Fostering Panel representation	28	Funding is needed to strengthen the service's ability to fully respond in accordance with statutory responsibilities and to enable the Council to respond fully to the Children Service Improvement Plan, and associated targets and regulatory requirements
Court Ordered Remands	28	Bid is to provide funds to meet the implications of a new requirement for the Council to meet the full cost of court ordered remands.
Transition Working	28	Funding will allow the appointment of a worker to provide key transition working for children with disabilities. Ynys Môn was chosen as a pilot for a scheme for every child with two professional workers above universal services involved in the the family to have a key worker. This was funded by WG/WEFO, but this funding comes to an end in March 2013. This growth bid will allow the scheme to continue.
<b>Total</b>	<b>384</b>	

Proposed Budget 2013-14 - Change From 2012-13				
	Approved Budget 2012-13	Proposed Budget 2013-14	Change	Change
	£000	£000	£000	%
<b>Directorate</b>				
Lifelong Learning (including schools)	46,035	47,678	1,643	3.6%
Community Services	29,942	31,804	1,862	6.2%
Sustainable Development	22,124	21,366	-758	-3.4%
Deputy Chief Executive	7,283	8,106	823	11.3%
Corporate and Democratic Costs	2,274	2,034	-240	-10.6%
Council Tax Support - additional responsibilities		4,825	4,825	
Levies	3,223	3,220	-3	-0.1%
Capital Financing and Interest	7,077	7,185	108	1.5%
Recharges to HRA/ DSO	-357	-358	-1	0.3%
Affordable Priorities Programme Initiatives (savings)	-380	-355	25	-6.6%
<b>Total</b>	<b>117,221</b>	<b>125,505</b>	<b>8,284</b>	<b>7.1%</b>
Outcome Agreement Grant	-412	-545	-133	32.3%
Improvement and Education Recovery Board	91	190	99	108.8%
General Contingency	961		-961	-100.0%
Job Evaluation Contingency	900	450	-450	-50.0%
<b>Sub Total Standstill Budget</b>	<b>118,761</b>	<b>125,600</b>	<b>6,839</b>	<b>5.8%</b>
Severances Contingency	1,200	1,000	-200	-16.7%
Cost of change Contingency	39	500	461	1182.1%
Other Specific Contingencies	200	600	400	200.0%
Contribution from/ to Balances	-1,200	500	1,700	-141.7%
<b>Total</b>	<b>119,000</b>	<b>128,200</b>	<b>9,200</b>	<b>7.7%</b>
<b>Funded by:</b>				
Aggregate External Funding	92,331	100,227	7,896	8.6%
Council Tax	26,704	28,023	1,319	4.9%
Discretionary Rate Relief	-35	-50	-15	42.9%
<b>Total Funding</b>	<b>119,000</b>	<b>128,200</b>	<b>9,200</b>	<b>7.7%</b>
<b>Funding Gap</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**ISLE OF ANGLESEY COUNTY COUNCIL**

<b>Report to</b>	<b>THE EXECUTIVE COMMITTEE</b>
<b>Date</b>	<b>18 FEBRUARY 2013</b>
<b>Subject</b>	<b>CAPITAL PLAN AND TREASURY MANAGEMENT</b>
<b>Portfolio Holder</b>	<b>COUNCILLOR JOHN CHORLTON</b>
<b>Lead Officer</b>	<b>HEAD OF FUNCTION (RESOURCES)</b>
<b>Contact Officers</b>	<b>CLARE WILLIAMS / EINIR THOMAS</b>
<b>Nature and reason for reporting:</b>	
Budget Procedure Rules require the Executive to complete its final budget proposals to the County Council	

**A – Introduction / Background / Issues**

**1. Background**

- 1.1** As part of the budget process, the Executive Committee is required to make proposals in relation to a capital plan and budget, a treasury management strategy (incorporating an investment strategy and a Minimum Revenue Provision Policy) and a suite of prudential indicators. Draft documents are attached as appendices and this report presents the key points so that the proposals may be presented to the County Council on 5<sup>th</sup> March. Draft Prudential and Treasury Indicators will be available to this Committee on the 18<sup>th</sup> February.

**B – Considerations**

**2. Capital Plan and Budget 2013/14 onwards**

- 2.1** In March 2012, the County Council set an interim capital budget based on the previous three year plan. The intention was that a new capital strategy and plan would be developed with the Executive during the year. Since then other priorities, including concentrating on the revenue budget savings, have overtaken us.
- 2.2** The projects in the current capital budget have been reviewed. No significant change is required. The programmes and projects identified as key areas in previous years are developing and the time will be ripe to make decisions in these areas in the context of discussing and adopting new models for service delivery and revised asset plans.

**2.3** Core resources announced by WG in the recent settlement total £3.446m, made up of £1.306m capital grant and £2.140m supported borrowing. This is similar to that indicated in the provisional settlement but is £0.604m less than the current year.

**2.4** Capital Receipts are being realised as part of an initiative related to the Affordable Priorities Programme. The most recent budget monitoring report suggests that current year targets will not be achieved. Due to current market conditions, the value of capital receipts has been falling and the timing of sales extended. Work is in progress with Local Partnerships to review a range of proposals aligned with the transformation of services, delivery options and associated asset requirements. A report will be presented to the Executive for decisions in due course when the options appraisal work has been concluded.

**2.5** Capital grants have reduced over recent years with a number of longstanding formula based grants brought to an end. Additionally, the European Convergence Programme is drawing to a close and no further bids are currently possible. Those grants that remain available are the regeneration grants from Welsh Government, available on a project by project basis. It is also possible that the new status of Enterprise Zone and the other activity relating to regeneration will enable access to new funding sources.

Notable grants confirmed for 2013-14 are the Local Government Borrowing Initiative (LGBI) and Flying Start.

The LGBI programme is nearing the end of its first of three years, with approval having recently been received for funding into the following, and final, two years. The funding will enable £1.8m per annum to be invested in the Authority's highways infrastructure over the following two years. Additionally, the Flying Start grant will enable the Authority to invest up to £1.3m, over two years, into its Flying Start provision.

**2.7** Annual budgets were identified last year at £3.9m, with the proposal for 2013/14 being £3.4m to reflect the reduced WG capital settlement. Commitments have already been made of £3.5m over the following three years from core resources for specific projects and £1.0m for annual budgets. Due to the reduction in the General Capital Funding (GCF) it will be necessary to scale back the annual budgets. It is considered that the forecast slippage on the feasibility studies budget will be sufficient for 2013/14 and it is, therefore, proposed that the annual budget allocation is, on a one off basis, nil. Additionally, in line with other Private Sector Housing budget adjustments, it is proposed the budget for next year is set at £0.9m. This will result in the 'annual budget' for 2013/14 standing at £3.420m.

This idea of "annual budgets" has been used for a number of years, to underpin the capital budget and provide continuity and stability. It has become the equivalent in the capital budget of the revenue "standstill" budget. The budget lines are :-



	<b>2013/14 £000</b>	<b>Of which already committed £000</b>
Schools :refurbishment etc.	1,000	400
Roads (excluding any formula grant)	200	
Other Highways	300	
Disabled Access	200	200
Buildings Risk Management	450	
Smallholdings	Ring fenced capital receipts	
Vehicles	150	
Equipment/ICT	150	
Feasibility Studies	-	
Partnership Funding	70	
Private Sector Housing	900	400
	<b>3,420</b>	<b>1,000</b>

**2.8** The projected programme for the 2013/14 Housing Revenue Account has been included in the 30 year plan at £4.9m. The budget is significantly reduced from the current year as a result of the completion of the WHQS works in December 2012. The programme and funding requirements for 2013/14 will be finalised once this year's expenditure has been completed and the revenue contributions confirmed.

**2.9** Unallocated contingencies of £3.2m are projected to be carried forward into next year. This takes account of the £1m unsupported borrowing contingency for this year dropping out and £1m to support the revenue budget pressures in 2013/14.

**2.10** It will be necessary to consolidate the existing commitments with this proposed allocation and any expected grants, to prepare a document that can become the Executive's proposal to the County Council.

### **3. Treasury Management Strategy**

**3.1** The draft Treasury Management Strategy for 2013/14 (Appendix B) has been scrutinised by Audit Committee. The Strategy has been updated to reflect the changes in professional guidance. These are relatively minor.

**3.2** The key points are:-

- Full use of supported borrowing allocations and £1m p.a. unsupported borrowing as before;
- Unsupported borrowing to cover (a) the delayed capital receipts from the sale of schools (to fund the relocation of Ysgol y Bont and the 21<sup>st</sup> Century Schools Band A Scheme (new primary school Holyhead)) and (b) the Local Government Borrowing Initiative, and (c) the delayed capital receipts from the ring fenced small holdings improvements programme;
- Assumed fully externalised borrowing;
- Assumed investments @ £30m p.a. on average;
- Retain approved lending list as current.
- A need to adopt the revised CIPFA Treasury Management Code of Practice 2011 (Appendix B-8).

**3.3** Based on current portfolios and these foregoing assumptions, the proposed revenue budget for the Treasury Management function is: -

2012/13		Category	2013/14	
Council Fund £'000	HRA £'000		Council Fund £'000	HRA £'000
4,146	1,389	Interest payable	4,324	1,415
(115)	(20)	Disc/Premium – rescheduling	(103)	(32)
3,373	876	Minimum Revenue Provision	3,252	1,117
(385)	0	Interest Receivable	(325)	0
58	(20)	Recharges to other accounts	36	(3)
<b>7,077</b>	<b>2,225</b>		<b>7,184</b>	<b>2,497</b>

**3.4** Borrowing Strategy: A key part of the Treasury Management Strategy is the proposals for external borrowing. Existing plans are sufficient to justify the borrowing plans detailed at 3.2.

#### **4. Prudential Indicators**

**4.1** The prudential indicators are presented as part of the budget process. These form part of the process for ensuring prudence in setting the Council's budget. A small number of Treasury Management indicators are set as limits. Once the figures from the revenue and capital budget proposals are confirmed they will be incorporated into a schedule to present to the County Council.

The key points are:

- Projected additional supported and unsupported borrowing of £28.2m means a net increase of £14.7m to the borrowing requirement over 3 years;
- Projected additional supported and unsupported borrowing will add £2.0m (or £1.0m net) to the annual cost of borrowing over 3 years.

<b>C – Implications and Impacts</b>	
<b>1</b>	<b>Finance / Section 151</b>
<b>2</b>	<b>Legal / Monitoring Officer</b>
<b>3</b>	<b>Human Resources</b>
<b>4</b>	<b>Property Services</b> (see notes – separate document)
<b>5</b>	<b>Information and Communications Technology (ICT)</b>
<b>6</b>	<b>Equality</b> (see notes – separate document)
<b>7</b>	<b>Anti-poverty and Social</b> (see notes – separate document)
<b>8</b>	<b>Communication</b> (see notes – separate document)
<b>9</b>	<b>Consultation</b> (see notes – separate document)
<b>10</b>	<b>Economic</b>
<b>11</b>	<b>Environmental</b> (see notes – separate document)
<b>12</b>	<b>Crime and Disorder</b> (see notes – separate document)
<b>13</b>	<b>Outcome Agreements</b>
<b>CH – Summary</b>	
<b>D – Recommendation</b>	
<p>That the Executive:-</p> <p><b>5.1</b> Endorses the interim capital plan and budget as its proposal for next year;</p> <p><b>5.2</b> Notes the assumptions made in the Treasury Management Strategy (Appendix B);</p> <p><b>5.3</b> Approve the Prudential Indicators that become limits and notes the others.</p> <p><b>5.4</b> That the County Council is asked to adopt the revised CIPFA Treasury Management Code of Practice 2011 (Appendix B-8).</p> <p>Finally, the Executive’s proposals need to be put to the Council, complying with statutory requirements and the constitution. Authority is sought to complete this documentation in conjunction with the Finance Portfolio holder.</p>	

**Name of author of report: Einir Wyn Thomas**  
**Head of Service (Finance)**  
**Date: 7 February 2013**

<b>Appendices:</b>
A – Draft Capital Budget 2013-14 B - Draft Treasury Management Strategy
<b>Background papers</b>

*Mae'r cyfrifiadau sy'n vmdannoos mewn print itaig ar sail dros dro ac yn amodol ar gadarnhad*  
*Projects shown in italics are included on a provisional basis and are subject to confirmation*

	Lithro Slippage 2012/13 £'000	Cyllideb Budget 2013/14 £'000	Ymrwymadau Commitments 2014/15 £'000	Ymrwymadau Commitments 2015/16 £'000	SERVICE
<b>GWASANAETH</b>					
<b>Adyso</b>					
Ysgolion - Adnewyddu		700	400		<b>Education</b>
Ysgol Gyrradd Newydd - Caerdybi	lg	545	4,500	2,500	Schools - Refurbishment
Ysgol y Bont - adleoli	lg	4,500			New Primary School - Holyhead
Dechrau'n Deg Ehangu Rhaglen Gyfalf	lg	550	750		Relocation of School - Ysgol Y Bont
					Flying Start Capital Expansion Programme
<b>Is-gyfanswm</b>		<b>6,295</b>	<b>5,650</b>	<b>2,500</b>	<b>Sub-Total</b>
<b>Cynllunio</b>					
Grant PEG	lg	455			<b>Planning</b>
					PEG standalone grant
<b>Is-gyfanswm</b>		<b>455</b>	<b>0</b>	<b>0</b>	<b>Sub-Total</b>
<b>Gwastraff</b>					
Safle Ailgyrchu Gwastraff Domesig (Aral)		500	500		<b>Waste</b>
					Household Waste Recycling Centre (Other)
<b>Is-gyfanswm</b>		<b>500</b>	<b>500</b>	<b>0</b>	<b>Sub-Total</b>
<b>Datblygu Economaidd</b>					
Astudiaethau Dichonolwydd Cyfalf	200				<b>Economic Development</b>
Cyllido Parthriaeth	200	70			Capital Feasibility Studies
Cydgylido cynllun Cyfenter	170	70			Partnership Funding
Isadeildd Strategol ar Ynys Môn - Safleoedd ac Adelladau		300	1,700		Matchfunding Cyfenter Scheme
					Strategic Infrastructure on Anglesey - Sites and Premises
<b>Is-gyfanswm</b>		<b>440</b>	<b>1,700</b>	<b>0</b>	<b>Sub-Total</b>
<b>Prifysdd a Thrafnidiaeth</b>					
Flydd (gan gynnwys grant)		200			<b>Highways and Transportation</b>
Prifysdd - arall		300			Roads (including grant)
Menter Benthycia Llywodraeth Leol	lg	1,800	1,800		Highways - other
Cerbydau		150			Local Government Borrowing Initiative
					Vehicles
<b>Is-gyfanswm</b>		<b>2,450</b>	<b>1,800</b>	<b>0</b>	<b>Sub-Total</b>

*Mae'r cyfrifiadau sy'n vmdannos mewn print itaig ar sail droso ac yn amodol ar gadarnhad*  
*Projects shown in italics are included on a provisional basis and are subject to confirmation*

Eiddo	Lithro Slippage 2012/13 £'000	Cyllideb Budget 2013/14 £'000	Ymrwymionau Commitments 2014/15 £'000	Ymrwymionau Commitments 2015/16 £'000	Property
Mynediad i'r AnabI i Adeiladau Cyhoeddus	100	200	200	0	Disabled Access to Public Buildings
Rheoli Rieg Adeiladau a Chymal Strwythurol	100	450			Buildings Risk Management & Structural Maintenance
Mandalladau (rhaglen wedi ei hamgáu)		250			<i>Smallholdings (Ringfenced programme)</i>
<b>Is-gyfanswm</b>		<b>900</b>	<b>200</b>	<b>0</b>	<b>Sub-Total</b>
<b>Corfforaethol</b>					<b>Corporate</b>
Offer / TGCh		150			Equipment / ICT
<b>Is-gyfanswm</b>		<b>150</b>	<b>0</b>	<b>0</b>	<b>Sub-Total</b>
<b>Iw Ddyrannu</b>					<b>To be allocated</b>
Cyllid Cyfatebol/Adfywio	735				Match funding / Regeneration
Cronfa with gefn – Gwelliannau Hamdden	195				Leisure Improvements Reserve
Offer / TGCh heb ei ddyrannu	100				Unallocated Equipment / ICT
Astudiaethau Dichonolrwydd - Cyffredinol	466	850			Feasibility Studies - General
Rhaglenn Rhesymoli Aseadau	1,270				Asset Rationalisation Programme
Heb ei ddyrannu	1,000				Unallocated
Derpariaeth benthyca digefnogaeth		1,000			Unallocated
Adfywio Ffisegol (Cyddyfeiriant)		2,000			Unallocated
<b>Is-gyfanswm</b>		<b>3,850</b>	<b>900</b>	<b>0</b>	<b>Sub-Total</b>
<b>Cyfanswm - Cyffredinol</b>		<b>15,040</b>	<b>10,750</b>	<b>2,500</b>	<b>Total - General</b>
<b>Afnodau Cyffredinol</b>					<b>General Resources</b>
Cyllid Cyfalfaf Cyffredinol		2,540	1,005		General Capital Funding
Benthyca digefnogaeth		1,000			Unallocated Borrowing
Benthyca digefnogaeth (derbyniadau cyfalfaf gohiredig) - Ysgol y Bont		1,300			Unallocated Borrowing (delayed capital receipts) Ysgol y Bont
Benthyca digefnogaeth (derbyniadau cyfalfaf gohiredig) - Ysgol newydd Caerdybi		248			Unallocated Borrowing (delayed capital receipts) New School Holyhead
Menter Benthyca Lywodraeth Leol		1,800	1,800		Local Government Borrowing Initiative
Grantiau Ewrop		2,000			European Grants
Grantiau/Cyfraniadau Eraill		4,802	3,000		Other Grants / Contributions
Derbyniadau Cyfalfaf		850		1,250	Capital Receipts
Refeniw/Cronfeydd with Gefn		500		1,250	Revenue / Reserves
<b>Cyfanswm Afnodau Cyffredinol</b>		<b>15,040</b>	<b>10,750</b>	<b>2,500</b>	<b>Total General Resources</b>

*Mae'r cynlluniau sy'n vmdannos mewn print itaig ar sail dros dro ac yn amodol ar gadarnhad*  
*Projects shown in italics are included on a provisional basis and are subject to confirmation*

	Lithro Slippage 2012/13 £'000	Cyllideb Budget 2013/14 £'000	Ymrwymadau Commitments 2014/15 £'000	Ymrwymadau Commitments 2015/16 £'000	
<b>Tai</b>					<b>Housing</b>
Tai Sector Gyhoeddus :					Public Sector Housing :
Rheglu Gyfalaf y Gronfa Refeniw Tai		4,948	500		Housing Revenue Account Capital Programme
Cynlluniau Tai Sector Preifat:					Private Sector Housing Schemes :
Grantiau Tai Sector Preifat a Chynlluniau Benithyca		900	400		Private Sector Housing Grants and Loans Schemes
Cynlluniau Tai Fforddiadwy					Affordable Housing Schemes
<b>Cyfanswm Tai</b>		<b>5,848</b>	<b>900</b>	<b>0</b>	<b>Total Housing</b>
<b>Adnoddau Tai</b>					<b>Housing Resources</b>
Cyllid Cyfalaf Cyffredinol		900	400		General Capital Funding
Lwfans Trwsio Sylweddol		2,600	500		Major Repairs Allowance
Derbyniadau Cyfalaf		575			Capital Receipts
Refeniw/Balansau		1,773			Revenue / Balances
<b>Cyfanswm Adnoddau Tai</b>		<b>5,848</b>	<b>900</b>	<b>0</b>	<b>Total Housing Resources</b>
<b>CYFANSWM CYLLIDEB</b>		<b>20,888</b>	<b>11,650</b>	<b>2,500</b>	<b>TOTAL BUDGET</b>

*Cymryd yn ganiateol bydd yr holl gyllidebau derbyniadau cyfalaf 2012/13 ar gael*  
 Assume all 2012/13 budgeted capital receipts become available

## TREASURY MANAGEMENT STRATEGY STATEMENT

### ANNUAL INVESTMENT STRATEGY, MINIMUM REVENUE PROVISION POLICY STATEMENT AND TREASURY MANAGEMENT POLICY STATEMENT 2013/14

#### 1. Introduction

##### 1.1 Background

The Council is required to operate a balanced budget, meaning that total revenue due during the financial year must be sufficient to meet expenditure, and also that actual cash inflows must be adequate to cover cash outflows. A key part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk approach, ensuring adequate liquidity before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion, debt previously drawn may be restructured to meet Council risk or cost objectives.

A particular point is that a local authority must calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This means that:-

- increases in revenue costs resulting from increases in interest charges, incurred to finance additional borrowing to finance capital expenditure; and
- any increases in running costs from new capital projects, must be limited to a level which is affordable within the Council's projected income.

The Treasury Management Policy Statement defines the policies and objectives of the treasury management activities. See Appendix 9.

##### 1.2 Reporting Requirements

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are required to be adequately scrutinised by committee before being recommended to the Council. This role is undertaken by the Audit Committee.

**Prudential and Treasury Indicators and Treasury Strategy** - The first and most important report, covers:-

- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators;
- an investment strategy (the parameters on how investments are to be managed);
- a Minimum Revenue Provision (MRP) Policy (how residual capital expenditure is charged to revenue over time); and
- a Treasury Management Policy Statement (definition of the policies and objectives of the treasury management function).

Reporting is also required on the capital plans (including the associated prudential indicators).

**A Mid Year Treasury Management Report** - This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting its objectives or whether any policies require revision. Rather than this minimum requirement, these reports will be produced quarterly (with quarters one and three being reported only to the Audit Committee).

**An Annual Treasury Report** - This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

### **1.3 Treasury Management Strategy for 2013/14**

The suggested strategy for 2013/14 in respect of the following aspects of the treasury management function is based upon the treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisor, Sector Treasury Services.

The strategy for 2013/14 covers two main areas:-

#### **Capital Issues**

- the capital plans and the prudential indicators; and
- the minimum revenue provision (MRP) strategy.

#### **Treasury management Issues**

- the current treasury position;
- treasury indicators which will limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the WG MRP Guidance, the CIPFA Treasury Management Code and the WG Investment Guidance.

### **1.4 Training**

The CIPFA Code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. In October 2012 Member training on treasury management issues was undertaken in order to support the scrutiny role of members of the Audit Committee. Further training will be arranged as required.

The training needs of treasury management officers are periodically reviewed.

### **1.5 Adoption of the Code**

The Council is required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. This original, 2001 Code, was adopted on 5 March 2002 by the full Council, a revised Code was adopted on 4 March 2010 and the current, 2011, Code now requires adoption.



## 2. Capital Considerations

The Council's current capital expenditure projection for 2013/14 is set out below. In respect of the years after 2012/13, the amounts shown are limited to existing commitments associated with ongoing schemes, but also account for the assumption that 'annual budgets' will continue, at their 2013/14 level, that an annual unsupported borrowing contingency of £1m is utilised in full in each year, that in 2014/15 and 2015/16 £5m per annum is spent on asset rationalisation, and that the HRA expenditure follows the current 30 year plan.

The key points to note are:

- the overall programmes will be limited to what is affordable, both in terms of actual capital spend and in terms of the revenue implications (see 1.1 above);
- the programmes for future years will be significantly reduced, compared to current levels, due, in part, to the HRA Welsh Housing Quality Standard Programme being completed in 2012.

£m	2011/12 Actual £m	2012/13 Projected £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m
<b>TOTAL</b>	21.6	25.6	23.9	27.2	16.2

## 3. Borrowing

The capital expenditure plans, set to be out in a separate report to the Executive Committee, provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury/prudential indicators, the current and projected debt positions and the annual investment strategy.

### 3.1 Current Portfolio Position

The Council's treasury portfolio position at 16 January 2013 comprised:-

		Principal (£m)	Average Rate (%)
Fixed Rate Funding	PWLB	96.1	5.53
Variable Rate Funding	n/a	0.0	n/a
<b>Total Debt</b>		<b>96.1</b>	<b>5.53</b>

*PWLB: Public Works Loans Board*

A more detailed breakdown of external debt is shown at Appendix 1.

### 3.2 Treasury Indicators: Limits to Borrowing Activity

It is a statutory duty under Section 3 of the Act and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Affordable Borrowing Limit". The Prudential Code refers to this as the Authorised Limit.

The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is 'acceptable'.

Whilst termed an "Affordable Borrowing Limit", the capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years.

### 3.3 Prospects for Interest Rates

The Council's appointed treasury advisor is Sector Treasury Services and part of their service is to assist the Council to formulate a view on interest rates. Appendix 3 draws together a number of current City forecasts for short term (Bank Rate) and longer fixed interest rates. The following table gives the Sector central view.

Annual Average (%)	Bank Rate (%)	PWL B Borrowing Rates (including certainty rate adjustment)		
		5 year	25 year	50 year
Dec 2012	0.50	1.50	3.70	3.90
March 2013	0.50	1.50	3.80	4.00
June 2013	0.50	1.50	3.80	4.00
Sept 2013	0.50	1.60	3.80	4.00
Dec 2013	0.50	1.60	3.80	4.00
March 2014	0.50	1.70	3.90	4.10
June 2014	0.50	1.70	3.90	4.10
Sept 2014	0.50	1.80	4.00	4.20
Dec 2014	0.50	2.00	4.10	4.30
March 2015	0.75	2.20	4.30	4.50
June 2015	1.00	2.30	4.40	4.60
Sept 2015	1.25	2.50	4.60	4.80
Dec 2015	1.50	2.70	4.80	5.00
March 2016	1.75	2.90	5.00	5.20

The economic recovery in the UK since 2008 has been the worst and slowest recovery in recent history, although the economy returned to positive growth in the third quarter of 2012. Growth prospects are weak and consumer spending, the usual driving force of recovery, is likely to remain under pressure due to consumers focusing on repayment of personal debt, inflation eroding disposable income, general malaise about the economy and employment fears.

The primary drivers of the UK economy are likely to remain external. 40% of UK exports go to the Eurozone so the difficulties in this area are likely to continue to hinder UK growth. The US, the main world economy, faces similar debt problems to the UK, but urgently needs to resolve the fiscal cliff now that the Presidential elections are out of the way. The resulting US fiscal tightening and continuing Eurozone problems will depress UK growth and is likely to see the UK deficit reduction plans slip.

This challenging and uncertain economic outlook has several key treasury management implications:-

- The Eurozone sovereign debt difficulties provide a clear indication of high counterparty risk. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2013/14 and beyond;
- Borrowing interest rates continue to be attractive and may remain relatively low for some time. The timing of any borrowing will need to be monitored carefully; and
- There will remain a cost of carry - any borrowing undertaken that results in an increase in investments will incur a revenue loss between borrowing costs and investment returns.

A detailed review of the current economic background is contained within Appendix 5 to this report.

### 3.4 Borrowing Requirement

The forecast movements in the Council's capital financing requirement (CFR) are:-

<b>ESTIMATED MOVEMENTS IN THE CAPITAL FINANCING REQUIREMENT AND REPLACEMENT BORROWING 2012/13 TO 2015/16</b>				
	<b>2012/13 Projected £'000</b>	<b>2013/14 Estimate £'000</b>	<b>2014/15 Estimate £'000</b>	<b>2015/16 Estimate £'000</b>
<b>Movement in the CFR</b>				
New borrowing to support capital expenditure				
<i>Supported Borrowing</i>	3,758	4,820	2,140	2,140
<i>Unsupported Borrowing</i>	5,720	6,308	6,850	6,000
<b>Total</b>	<b>9,478</b>	<b>11,128</b>	<b>8,990</b>	<b>8,140</b>
<i>Reduce by: Minimum Revenue Provision and set aside capital receipts</i>	(4,380)	(4,618)	(5,120)	(5,167)
<b>Net movement in the CFR</b>	<b>5,098</b>	<b>6,510</b>	<b>3,870</b>	<b>2,973</b>
<b>Potential movements in actual borrowing</b>				
Movement in the CFR (above)	5,098	6,510	3,870	2,973
Externalisation of pre 2012/13 internal borrowing	4,564	-	-	-
Replacement Borrowing	6	6,507	7	8
<b>Total potential new borrowing</b>	<b>9,668</b>	<b>13,017</b>	<b>3,877</b>	<b>2,981</b>

This incorporates the full impact of the draft Capital Programme for 2013/14. For the following financial years, the amounts of new borrowing are limited to the notified (indicative) allocations for supported borrowing, plus an annual amount of £1m of additional unsupported borrowing, plus cover for delayed capital receipts and the effect of the Local Government Borrowing Initiative. It also assumes the capital receipt from the sale of the current Ysgol y Bont site will be as budgeted and will arise in 2014/15, reducing the requirement for unsupported borrowing in that year.

The likelihood is that not all of this requirement will be met by external borrowing (see 3.4.1 below).

### 3.5 Borrowing Strategy

The Council is currently in an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This approach is prudent as investment returns are low and counterparty risk is high, and will continue to be followed where appropriate (see 3.4.1 below for a more detailed consideration of internal and external borrowing).

Against this background and the risks within the economic forecast, caution will be adopted with the 2013/14 treasury operations. The S151 Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:-

- if it was felt that there was a significant risk of a sharp FALL in long and short term rates, e.g. due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.

- if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

In view of the above, the Council's borrowing strategy will be based upon the following sources providing value:-

- Temporary borrowing from the money markets or other local authorities;
- PWLB variable rate loans for up to 10 years;
- Short dated borrowing from non PWLB sources;
- There will be a flexible approach to the mix of internal and external borrowing (see 3.4.1 below);
- Long term fixed rate market loans, where rates are significantly below PWLB rates for the equivalent maturity period, and to maintain an appropriate balance between PWLB and market debt in the debt portfolio;
- PWLB borrowing for periods under ten years where rates are expected to be significantly lower than rates for longer periods. This offers a range of options for new borrowing which will spread debt maturities away from a concentration in longer dated debt.

The S151 Officer will also keep under review potential opportunities to join in bond issues or other collaborative borrowing arrangements.

### 3.5.1 External v. internal borrowing

The comparison of gross and net debt positions as at year end is as follows (this is on the basis of being fully funded):-

NET BORROWING 2011/12 TO 2015/16					
	2011/12 Actual £'000	2012/13 Projected £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000
Total Borrowing	96,103	105,764	112,274	116,347	119,367
Total Investments	16,151	20,967	20,000	20,000	20,000
<b>Net Borrowing</b>	<b>79,952</b>	<b>84,797</b>	<b>92,274</b>	<b>96,347</b>	<b>99,367</b>

Current conditions indicate a need for a flexible approach to the choice between internal and external borrowing. Many of the factors which lay behind the previous policy to externalise all borrowing remain valid, e.g.:

- To protect the council tax payer from losses caused by the method of calculation of Housing Revenue Account Subsidy in the current system;
- To mitigate any liquidity issues caused by the implementation in the future of the long stop provisions to limit unsupported borrowing;
- With a continuing historically abnormally low Bank Rate, there remains an unique opportunity for local authorities to actively manage their strategy of undertaking new external borrowing.

However, it remains the case that there are certain limitations to this approach, as previously noted, e.g.:-

- The policy can cause exposure to credit risk, so this aspect must be very carefully managed;
- Careful on going consideration needs to be given to the difference between borrowing rates and investment rates to ensure the Council obtains value for money once an appropriate level of risk management has been attained to ensure the security of its investments.

In favour of internalisation, over the next three years investment rates are expected to be below long term borrowing rates. This means that value for money considerations would indicate that value could best be obtained by avoiding new external borrowing and by using internal cash balances to finance new capital expenditure, or to replace maturing external debt (this is referred to as internal borrowing). This would maximise short term savings.

However, short term savings by avoiding new long term external borrowing in 2013/14 must also be weighed against the potential for incurring additional long term extra costs, by delaying unavoidable new external borrowing until later years when PWLB long term rates are forecast to be significantly higher.

Potential changes to Housing Subsidy will have a bearing on the balance of the internalisation/externalisation, but further information on this is awaited from WG.

The Council has examined the potential for undertaking early repayment of some external debt to the PWLB in order to reduce the difference between its gross and net debt positions. However, the introduction by the PWLB of significantly lower repayment rates than new borrowing rates in November 2007, compounded by a considerable further widening of the difference between new borrowing and repayment rates in October 2010, has potentially meant that large premiums would be incurred by such action; such levels of premiums are unlikely to be justifiable on value for money grounds. This situation will be monitored in case these differentials are narrowed by the PWLB at some future date.

Against this background, caution will be adopted with the 2013/14 treasury operations. The S151 Officer will monitor the interest rate market and adopt a pragmatic approach to changing circumstances, reporting any decisions to the appropriate decision making body at the next available opportunity.

### **3.6 Policy on borrowing in advance of need**

The Council will not borrow more than, or in advance of, its needs, solely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

In determining whether borrowing will be undertaken in advance of need the Council will:-

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need;
- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets, have been considered;
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow;
- consider the advantages and disadvantages of alternative forms of funding;

- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use; and
- consider the impact of borrowing in advance on temporarily (until required to finance capital expenditure) increasing investment cash balances and the consequent increase in exposure to counterparty risk, and other risks, and the level of such risks given the controls in place to minimise them.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

### 3.7 Debt Rescheduling

The introduction by the PWLB in 2007 of a spread between the rates applied to new borrowing and repayment of debt, which was compounded on 20 October 2010 by a considerable further widening of the difference between new borrowing and repayment rates, has meant that PWLB to PWLB debt restructuring is now much less attractive than it was before these events. In particular, consideration would have to be given to the large premiums which would be incurred by prematurely repaying existing PWLB loans and it is very unlikely that these could be justified on value for money grounds if using replacement PWLB refinancing. However, some interest savings might still be achievable through using LOBO (Lenders Option Borrowers Option) loans, and other market loans, in rescheduling exercises rather than using PWLB borrowing as the source of replacement financing.

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (i.e. premiums incurred).

The reasons for any rescheduling to take place will include:-

- the generation of cash savings and/or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to the Audit Committee, at the earliest practicable meeting following its action.

## 4. Annual Investment Strategy

### 4.1 Current Portfolio Position

The Council's treasury portfolio position at 16 January 2013 comprised:-

	Principal (£m)	Average Rate (%)
Deposits – Call to 30 days	14.4	0.74
Deposits – Fixed Term < 1 year	10.0	1.63
Deposits – Fixed Term 1 year +	-	-
<b>Total Deposits</b>	<b>24.4</b>	<b>1.11</b>

## 4.2 Investment Policy

The Council's investment policy has regard to the WG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice for Local Authorities and Cross-Sectorial Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, and then return.

In accordance with the above, and in order to minimise the risk to investments, the Council has clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list (see Appendix 5). The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency. Using the Sector ratings, service banks' ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

Furthermore, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end, the Council will engage with its advisors to maintain a monitor on market pricing such as "Credit Default Swaps" and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by the Council's advisors, Sector, in producing its colour codings which show the varying degrees of creditworthiness.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

The intention of the strategy is to provide security of investment and minimisation of risk.

Investment instruments identified for use in the financial year are listed in Appendix 6 under the 'Specified' and 'Non-Specified' Investments categories.

**The Council will also from time to time, make loans, deposits and investments 'for the purpose of delivery of its Service'. These transactions will require the authority of the County Council for amounts over £100k. All transactions will be subject to adequate credit quality and the approval of the Section 151 Officer in consultation with the Portfolio Holder for Finance.**

## 4.3 Creditworthiness policy

The Chief Finance Officer will maintain a counterparty list in compliance with the criteria set out in Appendix 5 and will revise the criteria and submit them to Council for approval as necessary.

The minimum rating criteria uses the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance, if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution, on the basis of credit rating, will fall outside the lending criteria. Credit rating information is supplied by Sector, our treasury consultants, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria could be omitted from the counterparty list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing.

As an additional layer to the minimum credit rating criteria described above, this Council also employs the creditworthiness service provided by Sector. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:-

- credit watches and credit outlooks from credit rating agencies;
- Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads from which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to assist in determining the duration for investments. The Council will, therefore, normally use counterparties within the following durational bands:-

- Yellow 5 years
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
  
- Red 6 months
- Green 3 months
- No Colour not to be used without specific approval by S151 Officer

The Sector creditworthiness service uses a wider array of information than just primary ratings and, by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

All credit ratings will be monitored weekly. The Council is alerted to changes to ratings of all three agencies through its use of the Sector creditworthiness service.

- if a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum credit rating criteria, its further use for new investment will cease immediately, unless otherwise authorised; and
- in addition to the use of credit ratings, the Council will be advised of information in movements in Credit Default Swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Reference will also be made to market data and market information, information on government support for banks and the credit ratings of that supporting government.



#### 4.4 Country limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 7. This list will be added to or deducted from by officers should ratings change in accordance with this policy.

#### 4.5 Investment Strategy

**In-house funds:** Based on cash flow forecasts, the S151 Officer anticipates that the available cash balances in 2013/14 will be up to £30m on average and will range between £15m and £35m. This estimate is based on available cash balances, on a fully funded basis, of £30m on average this year to date (with a range of £16m to £34m). There is a core balance of up to £15m available for investment over a 2-3 year period. Investments will accordingly be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

As at the date of this report the Council holds no investments with a maturity of more than one year.

**Investment returns expectations:** Bank Rate has been unchanged at 0.50% since March 2009. Bank Rate is forecast to commence rising in quarter 4 of 2014. Bank Rate forecasts for financial year ends (March) are: -

- **2012/2013** 0.50%
- **2013/2014** 0.50%
- **2014/2015** 0.75%
- **2015/2016** 1.75%

There are downside risks to these forecasts (i.e. start of increases in Bank Rate is delayed even further) if economic growth remains weaker for longer than expected. However, should the pace of growth pick up more sharply than expected there could be upside risk, particularly if Bank of England inflation forecasts for two years ahead exceed the Bank of England's 2% target rate.

The Council will avoid locking into longer term deals while investment rates are down at historically low levels unless exceptionally attractive rates are available which make longer term deals worthwhile.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to three months during each financial year for the next four years are as follows:-

2012/13	0.50%
2013/14	0.50%
2014/15	0.60%
2015/16	1.50%

For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and reserve accounts, and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest.

#### **4.6 End of year investment report**

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

#### **4.7 External fund managers**

The Council has not appointed external fund managers. The need for this will be kept under review and a report will be made to the Executive before such an appointment is made.

#### **4.8 Policy on the use of external service providers**

In order to acquire access to specialist skills and resources, the Council uses Sector Treasury Services as its external treasury management advisors. The terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

Final responsibility for treasury management decisions remains with the Council.

#### **4.9 Delegation**

The Treasury Management scheme of delegation and the role of the Section 151 Officer are outlined in Appendix 7.

### **APPENDICES**

1. Loan maturity profile
2. MRP strategy
3. Interest rate forecasts
4. Economic background
5. Specified and non specified investments / Approved Lending List
6. Approved countries for investments
7. Treasury management scheme of delegation and the role of the section 151 officer.
8. Treasury Management Key Principles
9. Treasury Management Policy Statement
10. Prudential and Treasury Indicators – **to follow**

ATODIAD 1/APPENDIX 1

DADANSODDIAD BENTHYCIADAU YN AEDDFEDU 2012/13 YMLAEN/ LOANS MATURITY ANALYSIS 2012/13 ONWARDS						
	PWLB Aeddefedu/ PWLB Maturity £'000	PWLB EIP/ Annuity/ PWLB EIP/ Annuity £'000	Benthyciadau Marchnad/ Market Loans £'000	PWLB Amrywiol/ PWLB Variable £'000	Cyfanswm yn Aeddfedu/ Total Maturing £'000	%YN Aeddfedu o'r Cyfran yn sefyll/ Maturing of Total Outstanding %
2012/13	0	6	0	0	6	0.0
2013/14	6,500	7	0	0	6,507	6.8
2014/15	0	7	0	0	7	0.0
2015/16	0	8	0	0	8	0.0
2016/17	0	9	0	0	9	0.0
2017/18	5,500	9	0	0	5,509	5.7
2018/19	5,000	10	0	0	5,010	5.2
2019/20	5,000	11	0	0	5,011	5.2
2020/21	4,500	12	0	0	4,512	4.7
2021/22	0	14	0	0	14	0.0
2022/23	2,285	15	0	0	2,300	2.4
2023/24	1,854	16	0	0	1,870	1.9
2024/25	0	18	0	0	18	0.0
2025/26	0	20	0	0	20	0.0
2026/27	854	22	0	0	876	0.9
2027/28	1,675	24	0	0	1,698	1.8
2028/29	0	26	0	0	26	0.0
2029/30	854	21	0	0	875	0.9
2030/31	0	15	0	0	15	0.0
2031/32	1,281	9	0	0	1,290	1.3
2032/33	0	8	0	0	8	0.0
2033/34	0	0	0	0	0	0.0
2034/35	0	0	0	0	0	0.0
2035/36	0	0	0	0	0	0.0
2037/38	0	0	0	0	0	0.0
2039/40	5,000	0	0	0	5,000	5.2
2040/41	3,500	0	0	0	3,500	3.6
2045/46	0	0	0	0	0	0.0
2047/48	0	0	0	0	0	0.0
2050/51	2,000	0	0	0	2,000	2.1
2052/53	28,238	0	0	0	28,238	29.4
2054/55	3,000	0	0	0	3,000	3.1
2055/56	3,500	0	0	0	3,500	3.6
2056/57	5,000	0	0	0	5,000	5.2
2057/58	8,513	0	0	0	8,513	8.9
2059/60	1,763	0	0	0	1,763	1.8
	<b>95,816</b>	<b>287</b>	<b>0</b>	<b>0</b>	<b>96,102</b>	<b>100.0</b>
Cyfartaledd bywyd (blynyddoedd)/ Average life(years)	25.64	11.84	0.00	0.00	25.60	
Cyfartaledd graddfa (%)/ Average rate (%)	5.52	9.41	0.00	0.00	5.53	

## Minimum Revenue Provision Policy Statement 2013/14

The Council implemented the new Minimum Revenue Provision (MRP) guidance in 2008/09, and will assess the MRP for 2013/14 having regard to the main recommendations contained within the guidance issued by Welsh Ministers under section 21(1A) of the Local Government Act 2003. This relates to Council Fund only, not to HRA.

The major proportion of the MRP for 2013/14 will relate to the more historic debt liability that will continue to be charged at the rate of 4% of Capital Financing Requirement (in accordance with *option 2* of the guidance). Certain expenditure, generally that funded from unsupported borrowing, reflected within the debt liability at 31<sup>st</sup> March 2007 will be subject to MRP (under *option 3*), in accordance with the asset life method as below.

Although the regulations give discretion to charge MRP on new expenditure either at 4% as previously, or according to estimated asset life, MRP will normally be charged at 4%. However, expenditure financed by unsupported borrowing will be charged in accordance with the asset life method. This distinction will be kept under review.

Under the Asset Life method, MRP is charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the equal annual instalment method. For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building.

Estimated life periods will be determined by the S151 Officer. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

The S151 Officer will determine the appropriate and prudent use of the paragraph 13 exception to defer charging MRP until the year following the one in which the asset became operational.

As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

The Housing Revenue Account share of the Capital Financing Requirement is generally subject to a 2% MRP charge; however, unsupported borrowing will be charged to HRA revenue over a shorter period according to the approved 30 year business plan.

Rhagolygon Graddfeydd Llog 2013-2016/  
Interest Rate Forecasts 2013 – 2016

Sector's Interest Rate View														
	Now	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
<b>Sector's Bank Rate View</b>														
Sector's Bank Rate View	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
3 Month LIBID	0.39%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.60%	0.60%	0.70%	0.80%	1.10%	1.40%	1.70%
6 Month LIBID	0.54%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.80%	0.90%	1.00%	1.10%	1.30%	1.60%	1.90%
12 Month LIBID	0.88%	1.00%	1.00%	1.00%	1.00%	1.00%	1.10%	1.10%	1.20%	1.30%	1.30%	1.50%	1.80%	2.10%
5yr PW IB Rate	1.85%	1.50%	1.50%	1.60%	1.60%	1.70%	1.70%	1.80%	2.00%	2.20%	2.30%	2.50%	2.70%	2.90%
10yr PW IB Rate	2.87%	2.50%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	3.00%	3.20%	3.30%	3.50%	3.70%	3.90%
25yr PW IB Rate	4.02%	3.80%	3.80%	3.80%	3.80%	3.90%	3.90%	4.00%	4.10%	4.30%	4.40%	4.60%	4.80%	5.00%
50yr PW IB Rate	4.15%	4.00%	4.00%	4.00%	4.00%	4.10%	4.10%	4.20%	4.30%	4.50%	4.60%	4.80%	5.00%	5.20%
<b>Bank Rate</b>														
Sector's View	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
UBS	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-
Capital Economics	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-
<b>5yr PW IB Rate</b>														
Sector's View	1.85%	1.50%	1.50%	1.60%	1.60%	1.70%	1.70%	1.80%	2.00%	2.20%	2.30%	2.50%	2.70%	2.90%
UBS	1.85%	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Economics	1.85%	1.55%	1.30%	1.30%	1.30%	1.30%	1.30%	1.50%	1.60%	-	-	-	-	-
<b>10yr PW IB Rate</b>														
Sector's View	2.87%	2.50%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	3.00%	3.20%	3.30%	3.50%	3.70%	3.90%
UBS	2.87%	3.00%	3.10%	3.20%	3.40%	3.50%	3.60%	3.70%	3.80%	-	-	-	-	-
Capital Economics	2.87%	2.55%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	-	-	-	-	-
<b>25yr PW IB Rate</b>														
Sector's View	4.02%	3.80%	3.80%	3.80%	3.80%	3.90%	3.90%	4.00%	4.10%	4.30%	4.40%	4.60%	4.80%	5.00%
UBS	4.02%	4.20%	4.30%	4.40%	4.50%	4.50%	4.50%	4.50%	4.50%	-	-	-	-	-
Capital Economics	4.02%	3.70%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	-	-	-	-	-
<b>50yr PW IB Rate</b>														
Sector's View	4.15%	4.00%	4.00%	4.00%	4.00%	4.10%	4.10%	4.20%	4.30%	4.50%	4.60%	4.80%	5.00%	5.20%
UBS	4.15%	4.30%	4.40%	4.50%	4.60%	4.60%	4.60%	4.60%	4.60%	-	-	-	-	-
Capital Economics	4.15%	4.00%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	-	-	-	-	-



## Economic Background

### The Global economy

The Eurozone debt crisis has continued to cast a pall over the world economy and has depressed growth in most countries. This has impacted the UK economy which is unlikely to have grown significantly in 2012 and is creating a major headwind for recovery in 2013. Quarter 2 of 2012 was the third quarter of contraction in the economy; this recession is the worst and slowest recovery of any of the five recessions since 1930. A return to growth @ 0.9% in quarter 3 is unlikely to prove anything more than a washing out of the dip in the previous quarter before a probable return to negative growth in quarter 4; this would leave overall growth in 2012 close to zero and could then lead into negative growth in quarter 1 of 2013, which would then mean that the UK was in its first triple dip recession since records began in 1955.

The **Eurozone sovereign debt crisis** abated following the ECB's commitment to a programme of Outright Monetary Transactions i.e. a pledge to buy unlimited amounts of bonds of countries which ask for a bailout. The immediate target for this statement was Spain which continues to prevaricate on making such a request, (for a national bailout), and so surrendering its national sovereignty to IMF supervision. However, the crisis in Greece has subsided, for the time being, as a result of the Eurozone agreement to provide a further €50bn financial support package in December. Many commentators, though, still view a Greek exit from the Euro as being likely in the longer term as successive rounds of austerity packages could make it more difficult to bring down the annual deficit and total debt as ratios of GDP due to the effect they have on shrinking the economy and reducing employment and tax revenues. However, another possible way out would be a major write down of total Greek debt; this has now been raised by the German Chancellor as a possible course of action, but not until 2014-15, and provided the Greek annual budget is in balance.

Sentiment in financial markets has improved considerably since this ECB action and additional financial support for Greece to ensure that the Eurozone remained intact during 2012. However, the foundations to this "solution" to the Eurozone debt crisis are still weak and do not address the huge obstacle of unemployment rates of over 25% in Greece and Spain. It is also possible that the situations in Portugal and Cyprus could deteriorate further in 2013 and, although they are minor economies, such developments could unnerve financial markets. There are also general elections coming up in Italy and Germany which could potentially produce some upsets on the political scene. It is, therefore, quite possible that sentiment in financial markets could turn during 2013 after the initial burst of optimism at the start of the year. While equity prices have enjoyed a strong start to 2013, the foundations for this stock market recovery are shallow given the economic fundamentals in western economies. In addition, QE has to come to an end at some point in time and there is a distinct increase in doubt in the central banks of the US and UK as to the effectiveness of any further QE in stimulating economic growth. An end to central purchases of bonds may lead to a fall in bond prices.

**The US economy** has only been able to manage weak growth in 2012 despite huge efforts by the Federal Reserve to stimulate the economy by liberal amounts of quantitative easing (QE) combined with a commitment to a continuation of ultra low interest rates into 2015. Unemployment levels have been slowly reducing but against a background of a fall in the numbers of those available for work. The fiscal cliff facing the President at the start of 2013 has been a major dampener discouraging business from spending on investment and increasing employment more significantly in case there is a sharp contraction in the economy in the pipeline. The fiscal cliffs, and raising the total debt ceiling, still await final resolution by the end of February. The housing market, though, does look as if it has, at long last, reached the bottom and house prices are now on the up.

Hopes for a broad based recovery have, therefore, focused on the **emerging markets**. Recent news from China appears to indicate that the economy has returned to a healthier rate of growth. However, there are still concerns around the unbalanced nature of the economy which is heavily dependent on new investment expenditure. The potential for the bubble in the property sector to burst, as it did in Japan in the 1990s, could have a material impact on the economy as a whole.

## The UK economy

The Government's austerity measures, aimed at getting the public sector deficit into order, have now had to be extended, in the autumn statement, over a longer period than the original four years. Achieving this new extended timeframe will still be dependent on the UK economy returning to a reasonable pace of growth towards the end of this period.

Currently, the UK is enjoying a major financial benefit from some of the lowest sovereign borrowing costs in the world as the UK is seen as a safe haven from Eurozone debt. However, the subsiding of market concerns over the Eurozone has unwound some of the attractiveness of gilts as a safe haven and led to a significant rise in gilt yields. There is little evidence that UK consumer confidence levels are recovering, nor that the manufacturing sector is picking up. The dominant services sector disappointed in December with the PMI survey indicating the first fall in activity in two years. On the positive side, banks have made huge progress since 2008 in shrinking their balance sheets to more manageable levels and also in reducing their dependency on wholesale funding. However, availability of credit remains tight in the economy and the Funding for Lending scheme, which started in August 2012, has not yet had time to make a significant impact in respect of materially increasing overall borrowing in the economy. Finally, the housing market remains tepid and the outlook is for house prices to be little changed for a prolonged period.

**Economic Growth.** Economic growth has basically flat lined since the election of 2010 and, worryingly, the economic forecasts for 2012 and beyond were revised substantially lower in the Bank of England Inflation quarterly report for August 2012 and were then further lowered in the November Report. Quantitative Easing (QE) increased by £50bn in July 2012 to a total of £375bn. Many forecasters are expecting the MPC to vote for a further round of QE in early 2013 to try to stimulate economic activity. The announcement in November 2012 that £35bn will be transferred from the Bank of England's Asset Purchase Facility to the Treasury (representing coupon payments to the Bank by the Treasury on gilts held by the Bank) was also effectively a further addition of QE.

**Unemployment.** The Government's austerity strategy has resulted in a substantial reduction in employment in the public sector. Despite this, total employment has increased to the highest level for four years as over one million jobs have been created in the private sector in the last two years.

**Inflation and Bank Rate.** Inflation has fallen sharply during 2012 from a peak of 5.2% in September 2011 to 2.2% in September 2012. However, inflation increased back to 2.7% by the end of the year, though it is expected to fall back to reach the 2% target level within the two year horizon.

**AAA rating.** The UK continues to enjoy an AAA sovereign rating. However, the three main credit rating agencies have stated that they will be reviewing this rating in early 2013; they will, thereafter, also be carefully monitoring the rate of growth in the economy as a disappointing performance in that area could lead to a major derailment of the plans to contain the growth in the total amount of Government debt over the next few years.

### Sector's forward view

Economic forecasting remains difficult with so many external influences weighing on the UK. There does, however, appear to be consensus among analysts that the economy remains relatively fragile and whilst there is still a broad range of views as to potential performance, expectations have all been downgraded during 2012. Key areas of uncertainty include:

- the potential for the Eurozone to withdraw support for Greece at some point if the Greek government was unable to eliminate the annual budget deficit and the costs of further support were to be viewed as being prohibitive, so causing a worsening of the Eurozone debt crisis and heightened risk of the breakdown of the bloc or even of the currency itself. The same considerations could also apply to Spain;
- inter government agreement on how to deal with the overall Eurozone debt crisis could fragment;
- the impact of the Eurozone crisis on financial markets and the banking sector;

- the impact of the Government's austerity plan on confidence and growth and the need to rebalance the economy from services to manufactured goods;
- the under-performance of the UK economy which could undermine the Government's policies that have been based upon levels of growth that are unlikely to be achieved;
- the risk of the UK's main trading partners, in particular the EU and US, falling into recession;
- stimulus packages failing to stimulate growth;
- elections due in Italy and Germany in 2013;
- potential for protectionism i.e. an escalation of the currency war/trade dispute between the US and China;
- the potential for action to curtail the Iranian nuclear programme;
- the situation in Syria deteriorating and impacting other countries in the Middle East.

The focus of so many consumers, corporates and banks on reducing their borrowings, rather than spending, will continue to act as a major headwind to a return to robust growth in western economies.

Given the weak outlook for economic growth, Sector sees the prospects for any changes in Bank Rate before 2015 as very limited. There is potential for the start of Bank Rate increases to be even further delayed if growth disappoints.

Sector believes that the longer run trend is for gilt yields and PWLB rates to rise due to the high volume of gilt issuance in the UK, and the high volume of debt issuance in other major western countries. The interest rate forecast in this report represents a balance of downside and upside risks. The downside risks have already been commented on. However, there are specific identifiable upside risks as follows to PWLB rates and gilt yields, and especially to longer term rates and yields:-

- UK inflation being significantly higher than in the wider EU and US causing an increase in the inflation premium in gilt yields;
- Reversal of QE; this could initially be allowing gilts held by the Bank to mature without reinvesting in new purchases, followed later by outright sale of gilts currently held;
- Reversal of Sterling's safe haven status on an improvement in financial stresses in the Eurozone;
- Investors reverse de-risking by moving money from government bonds into shares in anticipation of a return to worldwide economic growth;
- The possibility of a UK credit rating downgrade.



**Buddsoddiadau Penodedig ac Amhenodedig/Rhestr Benthycy Cymeradwyedig/  
Specified and Non-Specified Investments/Approved Lending List**

**Rheolau/Criteria**

<p><b>BUDDSODDIADAU PENODEDIG</b></p> <p>Adneuron y Trysorlys</p> <p>Adneuron gydag awdurdodau lleol y DU hyd at 364 diwrnod.</p> <p>Adneuron gyda banciau a chymdeithasau adeiladu sydd wedi derbyn cyfradd credyd uchel, am gyfnodau o hyd at 364 diwrnod (gweler 4.1).</p>	<p><b>SPECIFIED INVESTMENTS</b></p> <p>Treasury Deposits</p> <p>Deposits with UK local authorities for up to 364 days.</p> <p>Deposits with banks and building societies which have been awarded a high credit rating, for up to 364 days (see 4.1).</p>
<p><b>BUDDSODDIADAU AMHENODEDIG</b> <i>Mwyafswm ar unrhyw bryd £30m.</i></p> <p><b>Grŵp 1</b> (<i>wedi eu cymeradwyo</i>) Adneuron gyda banciau am gyfnodau o hyd at 5 mlynedd (gweler 4.2).</p> <p>Mwyafswm ar unrhyw bryd £15m.</p> <p>Adneuron gyda banciau a chymdeithasau adeiladu nad ydynt wedi derbyn cyfradd credyd uchel, am gyfnodau o hyd at 364 diwrnod (gweler 4.2).</p> <p>Mwyafswm ar unrhyw bryd £5m.</p> <p>Banciau'r DU sydd wedi eu gwladoli</p> <p>Banciau a ddaw dan Becyn Cefnogi System Bancio'r DU</p> <p>Giltiau</p> <p>Biliau'r Trysorlys</p> <p>Cronfeydd Marchnad Arian a raddiwyd AAA</p> <p>Gwarant Ddiamwys y Llywodraeth ar faterion dyled penodol (e.e. tystysgrifau adneuron, bondiau, a.y.b.) gan fanciau sy'n cael diogelwch dan y pecyn cefnogi system bancio.</p> <p><b>Grŵp 2</b> (<i>angen cymeradwyaeth y Pwyllgor Gwaith</i>)</p> <p>Dyrodidiadau Euro-Sterling gan rai cyrff rhyngwladol a restrir ar Gyfneddfeydd Stoc gwledydd cymwys yr AEE.</p> <p>Mwyafswm ar unrhyw bryd £10m.</p> <p><b>Grŵp 3</b> (<i>angen cymeradwyaeth y Cyngor</i>)</p> <p>Pob math arall o fuddsoddiad i bwrpas Rheoli'r Trysorlys.</p> <p>Dim ond gwrthbartïon a gymeradwywyd o wledydd sydd â chyfradd credyd isaf o AA- trwy Fitch Ratings (neu gyfatebol trwy asiantaethau eraill os nad yw Fitch yn eu darparu) fydd y Cyngor yn eu defnyddio.</p> <p>Bydd y Cyngor hefyd yn gwneud benthyciadau i bwrpas cyflwyno ei wasanaethau lle mae cyllideb benodol wedi ei gytuno i'r pwrpas e.e. tai fforddiadwy. <b>Bydd hefyd yn gwneud adneuron a buddsoddiadau yn sefydliadau ariannol i bwrpas darparu ei wasanaethau.</b></p>	<p><b>NON-SPECIFIED INVESTMENTS</b> <i>Overall limit at any time £30m.</i></p> <p><b>Group 1</b> (<i>approved for use</i>) Deposits with banks for up to 5 years (see 4.2).</p> <p>Overall limit at any time £15m.</p> <p>Deposits with banks and building societies which have not been awarded a high credit rating, for up to 364 days (see 4.2).</p> <p>Overall limit at any time £5m.</p> <p>Nationalised Banks in the UK</p> <p>Banks covered by UK Banking System Support Package</p> <p>Gilts</p> <p>Treasury Bills</p> <p>Triple A Rated Money Market Funds</p> <p>UK Government Explicit Guarantee on specific debt issues (e.g. certificates of deposits, bonds, etc.) by banks covered by the banking system support package.</p> <p><b>Group 2</b> (<i>requires Executive approval</i>) Euro-Sterling issues by certain Supranational bodies listed on the Stock Exchanges of qualifying EAA states.</p> <p>Overall limit at any time £10m.</p> <p><b>Group 3</b> (<i>requires the Council's approval</i>) All other types of investment for Treasury Management purposes.</p> <p>The Council will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide).</p> <p>The Council will also make loans for the purposes of the delivery of its services where there is an approved budget for that specific purpose e.g. affordable housing. <b>It will also make deposits and investments in financial institutions for the purposes of the delivery of its services.</b></p>

**CYNGOR SIR YNYS MÔN – ISLE OF ANGLESEY COUNTY COUNCIL**  
**CYRFF Y GELLIR RHOI ARIAN AR FENTHYG IDDYNT YN ÔL Y GYFRADD CREDYD - ADNEUON**  
**Rheolau diwygiedig - Mawrth 2013**  
**APPROVED LENDING LIST BY CREDIT RATING – DEPOSITS**  
**Revised Criteria – March 2013**

<b>4.1</b>	<b>BUDDSODDIADAU PENODEDIG/SPECIFIED INVESTMENTS*</b>	<b>Rheolau/Criteria</b>
<b>Si) aiii</b>	Cymdeithasau Adeiladu; Banciau'r DU a thramor- £10m am 12 mis (364 diwrnod) Building Societies; UK & Foreign Banks - £10m for 12 months (364 days)	AA- & A1 + /P1/F1+
<b>4.1</b>	NEU Banciau'r DU sydd wedi eu gwladoli/eu gwladoli'n rhannol - £10m am 12 mis (364 diwrnod)	Pob un /All : CC neu PGC/ HoF(R) or HoS(F)
<b>Si) aiii</b>	Nationalised/Semi Nationalised UK Banks - £10m for 12 months (364 days)	
<b>Si) b</b>	Cymdeithasau Adeiladu; Banciau'r DU a thramor - £7.5m am 6 mis Building Societies; UK & Foreign Banks - £7.5m for 6 months	A & A1 + /P1/F1
<b>Si) c</b>	Cymdeithasau Adeiladu; Banciau'r DU a thramor - £5m am 3 mis Building Societies; UK & Foreign Banks - £5m for 3 months	A & A1 + /P1/F1
<b>Si)d</b>	Banciau'r DU a thramor - £10m am 1 mis UK & Foreign Banks - £10m for 1 month	A & A1 + /P1/F1
<b>Sv)</b>	Trysorlys y DU – dim mwyafswm UK Treasury – no maximum	
<b>Svi)</b>	Awdurdodau Lleol y DU - £5m am 12 mis UK Local Authorities - £5m for 12 months	Pob un /All : CC neu PGC/HoF(R) or HoS(F)
<b>4.2</b>	<b>BUDDSODDIADAU AMHENOEDIG/NON-SPECIFIED INVESTMENTS*</b>	
<b>Ni) ai</b>	Banciau'r DU a thramor - £10m am 5 mlynedd UK & Foreign Banks - £10m for 5 years	AA & A1 + /P1/F1 + Cefnogaeth/Support ½ CC neu PGC/ HoF(R) or HoS(F)
<b>Ni) ai</b>	Banciau'r DU a thramor - £10m am 3 blynedd UK & Foreign Banks - £10m for 3 years	AA & A1 + /P1/F1 + Cefnogaeth/Support ½ CC neu PGC/ HoF(R) or HoS(F)
<b>N ii)</b>	Is-gwmnïau Prif Fanciau'r DU - £1m am 1 mis Subsidiaries Major UK Banks - £1m for 1 month	Pob un /All : CC neu PGC/ HoF(R) or HoS(F)
<b>N iii)</b>	Banciau Clirio Eraill y DU - £1m am 1 mis Other UK Clearing Banks - £1m for 1 month	Pob un /All : CC neu PGC/ HoF(R) or HoS(F)
<b>N iv) c</b>	Cymdeithasau Adeiladu'r DU - £2m am 2 fis UK Building Societies - £2m for 2 months	Graddfa unigol/ Cefnogaeth dda Good individual/ Support Ratings
<b>N iv) ch</b>	Cymdeithasau Adeiladu'r DU - £1m am 1 mis UK Building Societies - £1m for 1 months	Pob un /All : CC neu PGC/ HoF(R) or HoS(F)
	* Yn amodol ar uchafswm fesul gwrth barti a fesul grŵp. * Subject to limits by counterparty and by group. * Yn amodol hefyd ar raddfa credyd y wlad y mae'r banc yn perthyn iddo. * Subject also to the sovereign credit rating of the country the bank is from.	

**Approved countries for investments**

*Based upon lowest available rating*

**AAA**

- Australia
- Canada
- Denmark
- Finland
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland
- U.K.

**AA+**

- France
- Hong Kong
- U.S.A.

**AA**

- Abu Dhabi
- Qatar
- UAE

**AA-**

- Belgium
- Japan
- Saudi Arabia

## Treasury management scheme of delegation

### (i) County Council

- receiving and reviewing reports on treasury management policies, practices and activities; and
- approval of annual strategy.

### (ii) County Council or Executive

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities; and
- approving the selection of external service providers and agreeing terms of appointment.

### (iii) Audit Committee

- reviewing the treasury management policy and procedures and making recommendations to the responsible body; and
- receiving and reviewing regular monitoring reports and acting on recommendations.

## The treasury management role of the section 151 officer

### The S151 (responsible) officer's role includes:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit; and
- recommending the appointment of external service providers.

### Capital Issues

- the capital plans and the prudential indicators; and
- the MRP strategy.

## The CIPFA Treasury Management in the Public Services: Code of Practice

This Authority adopts the key principles of CIPFA's *Treasury Management in the Public Services: Code of Practice (2011 Edition)*, as described in Section 4 of that Code as follows:-

### Key Principle 1:

Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.

### Key Principle 2:

Their policies and practices should make clear that the effective management and control of risks are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy, including any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and liquidity when investing funds.

### Key Principle 3:

They should acknowledge that the pursuit of value for money in treasury management and the use of suitable performance measures are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that, within the context of effective risk management, their treasury management policies and practices should reflect this.

The Code then goes on to say that:

"In framing these recommendations, CIPFA acknowledges the difficulties of striving for effective risk management and control, whilst at the same time pursuing value for money. This code does not seek to be prescriptive about how this issue should be handled, particularly since it covers such a wide variety of organisations. However, where appropriate, the sector specific guidance notes give suitable advice. CIPFA recognises that no two organisations in the public services are likely to tackle this issue in precisely the same manner but success in this area of treasury management is likely to be viewed, especially in value for money terms, as an indicator of a strongly performing treasury management function."

"Even though it dates back to 1991, CIPFA considers that the report by the Treasury and Civil Service Committee of the House of Commons on the BCCI closure is still pertinent, wherein it was stated that:"

*"In balancing risk against return, local authorities should be more concerned to avoid risks than to maximise returns."*

"Indeed this view was supported by the Communities and Local Government Select Committee report into local authority investments in 2009."

"It is CIPFA's view that throughout the public services the priority is to protect capital rather than to maximise return. The avoidance of all risk is neither appropriate nor possible. However, a balance must be struck with a keen responsibility for public money."

Accordingly the Authority will adopt, as part of the standing orders, the following four clauses;

1. The Authority will create and maintain, as the cornerstones for effective treasury management:
  - a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities; and
  - Suitable treasury management practices (TMPs) setting out the manner in which the Authority will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the Policy Statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the Authority. Such amendments will not result in the Authority materially deviating from the Code's key principles.

2. The Authority will also have regard for the Guidance on Local Government Investments issued by the Welsh Assembly Government and effective from 1st April 2010.
3. Full Council will receive reports on its treasury management policies, practices and activities, specifically; an annual strategy and plan in advance of the year, a mid year review and an annual report after its close, in the form prescribed in the TMPs. In addition to this the Audit Committee will receive quarterly review reports for first and third quarters.
4. The Authority delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Audit Committee, and for the execution and administration of treasury management decisions to the Chief Financial Officer, who will act in accordance with the Authority's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
5. The Authority nominates Audit Committee to be responsible for ensuring effective scrutiny of treasury management policies, practices and performance.

**Treasury Management Policy Statement**

1. The Authority defines its treasury management activities as: “The management of the authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
2. This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
3. This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.”

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## BOLE OF ANGLESEY COUNTY COUNCIL

<b>MEETING:</b>	<b>EXECUTIVE</b>
<b>DATE:</b>	<b>18<sup>th</sup> February</b>
<b>TITLE OF REPORT:</b>	<b>2013/14 - Corporate Improvement Priorities</b>
<b>PORTFOLIO HOLDER:</b>	<b>John Chorlton</b>
<b>REPORT BY:</b>	<b>HEAD OF SERVICE - POLICY</b>
<b>CONTACT OFFICER:</b>	<b>Business Planning and Programme Manager</b>
<b>PURPOSE OF REPORT:</b>	To propose the 2013/14 Corporate Improvement Priorities for adoption by the County Council

### **1. Introduction / Background / Issues**

- 1.1 Ensuring that as a County Council, we have robust and meaningful Corporate Improvement Priorities is paramount to the Council's responsibility of discharging its duty of demonstrating continued improvement under the Wales Programme for Improvement (WPI) 2011.**
- 1.2** These priorities, to provide focus, need to be aligned to the Corporate Business Plan 2012/15 and as such have been developed and shaped by:-
- 1.2.1 The views of local people** – We are moving towards becoming a much better listening Council and will improve our consultation and engagement practices with our citizens and communities. An extensive citizen engagement process was undertaken during the Autumn of 2011, supported by robust citizen survey to identify priorities and outcomes which we should be working towards and these have been further developed with the advent of an integrated match up of Improvement and Financial priorities for consultation during the 2013/14 budget setting process. A separate to this Committee provides feedback on the consultation.
- 1.2.2 The views of our partners** – Almost no service we provide is delivered without the

input and involvement of our local partners. In developing these priorities we have considered the Island wide agenda being developed with partners as part of the revised Single Integrated Plan and focused on those areas where we can make a difference by taking the lead.

**1.2.3 How well our Services are currently performing** – We are monitoring through the associated and revised Performance Management Framework, our performance closely to ensure we are on track and making continual improvements. If we are not performing at a good enough level, then action is to be taken to put things right. Our priorities and in particular our improvement priorities reflect a number of areas where further improvement is required.

**1.2.4 Political Priorities** – Elected Councillors, as representatives of their local communities have also highlighted issues, through various different routes such as Scrutiny Committees & workshops, which will also be reflected in the proposed document.

**1.2.5 National Priorities set by Welsh Government** – The Welsh Government has set out its priorities for the forthcoming years in Office under the Programme for Government document. The objectives identified there are reflected in our priorities with particular emphasis on supporting the most vulnerable, education, growth and sustainable services.

## **2. Considerations**

**2.1** It is important to note that the 2013/14 Improvement Priorities have been developed taking into account the key elements of the current Corporate Business Plan and are aligned to the Transformation Programme (endorsed by the Executive in January 2013) which are identified as follows –

**2.1.1 Vision** – ‘To be a well run County Council delivering consistent service to our citizens whilst providing value for money’

**2.1.2 Aim** – To promote and protect the interests of the island, its citizens and communities

### **2.2 Outcomes** –

**2.2.1** Anglesey has a thriving and prosperous rural economy

**2.2.2** People in Anglesey achieve their full potential

**2.2.3** People in Anglesey are healthy and safe

**2.2.4** People in Anglesey enjoy, protect and enhance their built and natural environment for future generations

**2.2.5** People in Anglesey are proud of their Council

**2.2.6** This represents the Council's high level work programme in the medium term and

has influenced key decisions on our future allocation of resources and improvement priorities -

## **2.3 Improvement Priorities –**

2.3.1 Under the Local Government (Wales) measure there is a need for the Council to identify its Improvement priorities annually and publish them as soon as is practically possible following April 1<sup>st</sup>. The representation below identifies the recommended Improvement priorities for 2013/14 and are an integral component of the new Transformation Plan for Anglesey Council.

### **2.3.2 Improve Education**

Schools modernisation is underway and the Education Recovery Board is monitoring the Council's delivery against the Post Inspection Action Plan. Additional resources have been allocated to school improvement and financial management, and a review of the buildings will take place as part of the Council's Asset Management Plan. School budgets have been protected in line with the Welsh Government policy, at 2.08% above the 2012/13 budget.

### **2.3.3 Improve the services provided for Adult social care**

As people live longer, healthier lives there is a need to increase and change the kind of services available for the adult population and their carers. This brings with it increased pressure on this area of spend. Additional resources have been prioritised for this service for 2013/14 to support the changes being introduced. A review of services, which includes residential care, is underway and further reviews are planned with partners to provide the most cost effective models of care that can be sustained for the future.

### **2.3.4 Improve and Sustain the services provided for vulnerable Children**

Aspects of this service were subject to attention from the Care and Social Services Inspectorate Wales (CSSIW) following their report in 2011, but the authority has now realised significant improvements against the targets set. In order to sustain this improvement and to cope with additional pressure on the demand for high quality foster care and looked after children, additional resources have been allocated to the Children's Services base budget for the future.

### **2.3.5 Transformation and modernisation of service provision**

Work will commence on service transformation over the coming years as we look to modernise services. A number of areas will be going through a transformational programme in 2013/14, in preparation for reduced spend in 2014/15 and beyond.

As part of the Transformation Plan there are 3 programme areas, namely – Island of Enterprise / Service Excellence / Business Transformation to be overseen by 3 programme boards.

The overall role of the Programme Boards will be to drive change and improvement within the Authority and ensure the delivery of the plan itself.

**2.4 The delivery of the Improvement Priorities will be the responsibility of the Strategic Leadership Team and accountable to the Scrutiny and Executive functions of the Council.**

**2.5** In delivering its priorities the Council needs to be mindful of its duties to discharge its statutory obligations under the Equality Act. As such, an equality impact assessment will be carried out on the contents of the Improvement Priorities and it is noted that further assessments be undertaken for key work-streams to satisfy this requirement.

### **3. Recommendation**

3.1 It is recommended that the Executive endorse these Improvement Priorities and recommend their adoption to the County Council.

3.2 To recommend to the Council that authority be given to Officers in consultation with the relevant Portfolio Holders to develop associated work programmes for each of the Improvement Priorities and that the Council's Improvement priorities for 2013-14 be published in April following the annual business planning cycle.

**Head of Service – Policy 30.1.13**

## AGENDA ITEM NO.

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to</b>	<b>Executive Committee</b>
<b>Date</b>	<b>18<sup>th</sup> February 2013</b>
<b>Subject</b>	<b>Housing Rent HRA 2013 - 2014</b>
<b>Portfolio Holder(s)</b>	<b>Councillor O Glyn Jones</b>
<b>Lead Officer(s)</b>	<b>Shan L Williams, Head of Housing Services</b>
<b>Contact Officer</b>	<b>Shan L Williams</b>
<b>Nature and reason for reporting:</b>	
<b>Elected Members are requested to approve the rent levels to be charged on Tenants of Council Housing for 2013 - 2014</b>	

<b>A – Introduction / Background / Issues</b>	
<b>1.0</b>	<b>Background</b>
<b>1.1</b>	The Council is required under the Local Government and Housing Act 1989 to keep a Housing Revenue Account [HRA], which is ring-fenced for transactions specifically relating to Local Authority Housing.
<b>1.2</b>	On the 13th December 2012, a letter was received from the Welsh Government to consult with local authorities on the draft HRA subsidy and Item 8 determinations for 2013 - 14. These are set annually by the WG and influence rent increases, together with the amount of HRA subsidy payable to the Council. The consultation proposals concentrated on the national guideline rent and management and maintenance elements of the HRA subsidy for 2013 - 14.
<b>1.3</b>	It is proposed to increase the all-Wales average weekly guideline rent by 4.99%. This is based on the Minister for Housing Regeneration and Heritage's decision.
<b>1.4</b>	It is also proposed to increase the management and maintenance allowance for 2013 - 2014 to £2,610 per dwelling for each local authority.
<b>1.5</b>	The closing date to receive responses was the 4 <sup>th</sup> January, 2013 and the final version of the HRA subsidy and Item 8 determinations, including the final rent increase for 2013 – 14, was confirmed on the 7 <sup>th</sup> February, 2013.

**1.6** In December 2012, the HRA 30 year business plan was updated and submitted to the WG. Following the Council's decision to achieve the Welsh Housing Quality Standard by retaining its housing stock in November 2006, it is imperative that the rental income is maximised in order to sustain the viability of our 30 year housing stock business plan.

## **2.0 Rent increase for Anglesey tenants**

**2.1** The level of any rent increase is determined by the Local Authority, however the practice usually followed in recent years, is to apply the WG guideline rent increase. This translates to an increase of 4.99% for the tenants of Anglesey.

**2.2** The rent increase limit for Ynys Môn, contained within the Housing Revenue Account Subsidy (HRAS) Determination for 2013 - 2014 guidelines, is a standard increase of £3.08p per dwelling, per week, which equates to an increase of 4.99%. If the Council chooses to implement the recommendation, the net rent increase will generate an estimated rental income to the HRA in 2013 - 14 of £12.65 million. This will increase the average weekly rent from £63.53 to £66.61, which is still below benchmark rent. See Appendix 1 for breakdown of dwellings.

**2.3** It is recommended that the final guideline rent increase is also applied to all garage rents. This is in line with the approval of the Council's Executive Committee held on 21<sup>st</sup> February, 2005 to increase the garage rent annually. The current garage rent 2012 - 13 is £6.37. The increase would equate to 32pence per week, making the new rent level £6.69 per week. This will generate income of £195k from garages after deducting voids.

**2.4** As noted above in paragraph 1.6, the Council needs to balance the HRA business plan [statutory obligations], and at the same time, needs to keep its rents affordable, so as to maintain the WHQS standards and continual improvements in the future.

## **3.0 Housing Benefit**

**3.1** The percentage of tenants currently on housing benefit is 71% with total number of tenants being 2655. The number of those of working age tenants on housing benefit amount to 1191 which is 45% of the total tenants on housing benefit.

**3.2** The Council will be affected by changes to housing benefit that are being introduced by the UK Government. In anticipation of the Government's Welfare Benefit Reform the provision for bad debts has, therefore, been increased to £100k as we are expecting that arrears will increase when tenants have to meet a greater proportion of rent themselves. We also expect that arrears and collection costs will increase. The Service has an action plan in place which is designed to provide as much support as possible to tenants and mitigate risks to the service's income and business plan.

#### **4.0 Changes to the Housing Subsidy System**

- 4.1** In England, the housing finance subsidy system was replaced by a new self-financing HRA with effect from April, 2012. Each authority will keep all their rent income. However, there was redistribution between Councils, of the total English local authority housing debt of £25 billion.
- 4.2** Welsh Government [WG] is currently in negotiations with HM Treasury to agree buyout of the £73 million subsidy paid each year. It is likely that the new housing finance system in Wales will be on a similar basis to England.
- 4.3** WG has also confirmed that the new policy for social housing rents will be implemented in April, 2014. The new policy will include the introduction of a target rent for each authority area.
- 4.4** The removal of the subsidy system and the new rent regime could have significant implications for the Council; however, these are unclear at present. The outcome of the HRA and Social Rents Review and the impact for the Council will be reported to the Executive Board when the WG review is completed, as anticipated, later this year.

#### **B - Considerations**

#### **C – Implications and Impacts**

<b>1</b>	<b>Finance / Section 151</b>	
<b>2</b>	<b>Legal / Monitoring Officer</b>	No comments
<b>3</b>	<b>Human Resources</b>	
<b>4</b>	<b>Property Services</b> (see notes – separate document)	
<b>5</b>	<b>Information and Communications Technology (ICT)</b>	
<b>6</b>	<b>Equality</b> (see notes – separate document)	

<b>C – Implications and Impacts</b>	
<b>7</b>	<b>Anti-poverty and Social</b> (see notes – separate document)
<b>8</b>	<b>Communication</b> (see notes – separate document)
<b>9</b>	<b>Consultation</b> (see notes – separate document)
<b>10</b>	<b>Economic</b>
<b>11</b>	<b>Environmental</b> (see notes – separate document)
<b>12</b>	<b>Crime and Disorder</b> (see notes – separate document)
<b>13</b>	<b>Outcome Agreements</b>

<b>CH - Summary</b>	
Members are asked to approve the level of rent increase for 2013 – 2014 as set out by the Welsh Government at a rate of 4.99% which equates to an average rent increase of £3.08 per dwelling per week and 32pence per week for garages.	
<b>D - Recommendation</b>	
<b>5.0</b>	<b>Recommendation</b>
	Members are asked to approve the level of rent increases for 2013 - 14 as set out below
<b>R1.</b>	<b>The increase of rent of 4.99% on all dwellings for 2013 - 14, which equates to an average increase of £3.08 per dwelling per week</b>
<b>R2.</b>	<b>The increase of garage rent of 4.99%, which equates to 32pence per week</b>



**Name of author of report: Shan L Williams**  
**Job Title: Head of Housing Services**  
**Date: 06/02/13**

<b>Appendices:</b>
Appendix 1 – breakdown of the number of dwellings affected by rent increase and by value of rent increase.

<b>Background papers</b>

## Appendix 1

### Dwellings

For 2013/14 the Committee is recommended to set a 4.99% increase on current rent level which will result in a differential increase for each type of dwelling. The table as set out below shows the number of dwellings affected:-

<u>Rent Increase</u>	<u>No</u>	<u>of</u>
	<u>Dwellings</u>	
Up to £2.50	110	
£2.50 – £3.00	1763	
£3.01 - £3.50	1582	
£3.51 - £4.00	252	
£4.01 - £4.50	92	
over £4.50	10	(mainly 6/7 bedroomed, two properties occupied as one dwelling plus Warden Houses.
Maximum £5.53		

The above would affect an average increase of £3.08p per dwelling per week.

### Garages

To increase the Council Garages rental by 4.99% (32p increase per week). Increase the rent from £6.37 to £6.69 per week

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>Meeting of the Executive</b>
<b>Date:</b>	<b>18 February 2013</b>
<b>Subject:</b>	<b>HRA Budget</b>
<b>Portfolio Holder(s):</b>	<b>Councillor John Chorlton, Councillor O Glyn Jones</b>
<b>Lead Officer(s):</b>	<b>Einir Wyn Thomas Head of Service (Finance)</b>
<b>Contact Officer:</b>	<b>Stephen Moore (Ext. 2634)</b>
<b>Nature and reason for reporting</b>	
To set the HRA budget for 2013/14.	

<b>A – Introduction / Background / Issues</b>
<p>This report, together with the report of the Head of Service (Housing) on the rent level for 2013/14, shows the projected financial plan for the HRA for next year. It feeds in to the corporate budgets, treasury management plans and prudential indicators.</p> <p>The attached Appendix A shows the extract from the business plan for the 2013/14 budget.</p>

<b>B - Considerations</b>												
<p><b>1. 2013/14 BUDGET - DETAILS</b></p> <p>The 2013/14 budget is based on the HRA 30 year business plan, which presumes inflation of 2%. The plan does not include any provision for the potential 'buy out' from the HRA subsidy currently being negotiated between the Welsh Government and the Treasury. Since it was submitted, the Welsh Government have issued revised guidance on rent levels (see separate rent paper), but the effect on revenue is negligible. In addition, the following changes are incorporated into the plan:</p> <ul style="list-style-type: none"> <li>The Supervision and Management budget has been reduced now that the new computer system has been installed, with phase one now live, phase two due to go live in April with further phases to follow. Repairs and maintenance costs have been reduced following the successful completion of the WHQS scheme apart from those properties where the upgrade has been deferred at the request of the tenant, which has had the effect of reducing routine maintenance.</li> <li>Assuming the rents are set at the level recommended by the Welsh Government (see the paper submitted to this meeting by the Head of Housing Service), the net rent would be £12.65 million. This includes the expected effect of welfare reform on the level of bad debt expected, an additional £50k being provided for. Compared with last year's net rents budget, this is an increase of £148k.</li> <li>There have been no Right to Buy sales in 2012/13 to date, and is expected to remain low for 2013/14. The table below demonstrates the effect:-</li> </ul> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">2012/13</th> <th style="text-align: center;">2013/14</th> </tr> </thead> <tbody> <tr> <td>Number of dwellings - 1st April</td> <td style="text-align: center;">3,807</td> <td style="text-align: center;">3,802</td> </tr> <tr> <td>Anticipated Right to Buy sales</td> <td style="text-align: center;">-5</td> <td style="text-align: center;">-5</td> </tr> <tr> <td>Number of dwellings - 31st March</td> <td style="text-align: center;">3,802</td> <td style="text-align: center;">3,797</td> </tr> </tbody> </table>		2012/13	2013/14	Number of dwellings - 1st April	3,807	3,802	Anticipated Right to Buy sales	-5	-5	Number of dwellings - 31st March	3,802	3,797
	2012/13	2013/14										
Number of dwellings - 1st April	3,807	3,802										
Anticipated Right to Buy sales	-5	-5										
Number of dwellings - 31st March	3,802	3,797										

- Garage rents after deducting voids would be £195k, £9k higher than last year.

## 2. CAPITAL PROGRAMME

The business plan incorporates a capital programme of £4.9million. The Major Repairs Allowance (MRA) for 2013/14 has been confirmed in principle at £2.6m. These figures have been incorporated in the report on the capital budget presented to the Executive on 18<sup>th</sup> February.

The amounts available for Housing Revenue Account Capital for 2013/14 are:-

Major Repairs Allowance	£2.6m
Capital Receipts	£0.5m
Revenue Contributions	£1.8m

Total Amount of Core Capital resources available      £4.9m

There is no planned requirement for unsupported borrowing in 2013/14. As at 31<sup>st</sup> March 2013 the planned balance of unsupported borrowing will be £11.4m out of the original total loan of £12.4m.

## 3. POSITION AT YEAR END

The HRA reserve was £247k as at 31 March 2012. The projected balance as at 31 March 2013 is £240k. This outturn is achievable, but is subject to uncertainty as a result of the recent poor weather affecting call-outs and unplanned repairs, and the likely level of the repatriation from the Building Maintenance Unit which shows a deficit of £723k at 31<sup>st</sup> December, but at least 4 weeks charging runs have yet to be completed.

If this budget is approved, this projected balance will increase to £728k by 31 March 2014. This is an appropriate level of reserve for the HRA.

<b>C – Implications and Impacts</b>	
<b>1</b>	<b>Finance / Section 151</b>
<b>2</b>	<b>Legal / Monitoring Officer</b>
<b>3</b>	<b>Human Resources</b>
<b>4</b>	<b>Property Services</b> (see notes – separate document)
<b>5</b>	<b>Information and Communications Technology (ICT)</b>
<b>6</b>	<b>Equality</b> (see notes – separate document)
<b>7</b>	<b>Anti-poverty and Social</b> (see notes – separate document)
<b>8</b>	<b>Communication</b> (see notes – separate document)
<b>9</b>	<b>Consultation</b> (see notes – separate document)
<b>10</b>	<b>Economic</b>
<b>11</b>	<b>Environmental</b> (see notes – separate document)
<b>12</b>	<b>Crime and Disorder</b> (see notes – separate document)
<b>13</b>	<b>Outcome Agreements</b>

**CH - Summary**

The paper shows the basis for the proposed HRA budget for 2013/14.

**D - Recommendation**

To approve the HRA budget for 2013/14.

**Name of author of report – Eimir Wyn Thomas**

**Job Title – Head of Service (Finance)**

**Date – 8 February 2013**

**Appendices:**

Appendix A – Extract from the HRA 30 year business plan.

**Background papers**

APPENDIX A

EXTRACT FROM HRA 30 YEAR BUSINESS PLAN

	2012/13	2013/14
	Budget	Plan
	£k	£k
<b><u>Revenue Expenditure</u></b>		
Management Costs	2,588	2,450
Repairs & Maintenance	4,022	3,871
Other	250	
HRA Subsidy Payment	2,320	1,907
Capital Financing Costs	2,097	2,441
Revenue Contributions	1,500	1,775
	<b>12,777</b>	<b>12,444</b>
<b><u>Revenue Funding</u></b>		
Rental Income	12,502	12,650
Garages	186	195
Interest	1	3
Other income	81	83
	<b>12,770</b>	<b>12,931</b>
<b>Surplus / - Deficit For Year</b>	<b>-7</b>	<b>488</b>
Balance Brought Forward	247	240
<b>Balance Carried Forward</b>	<b>240</b>	<b>728</b>

ATODIAD A

RHAN O GYNLLUN BUSNES 30 MLYNEDD Y CRT

	2012/13	2013/14
	Cyllideb	Cynllun
<b><u>Gwariant Refeniw</u></b>	£k	£k
Costau Rheoli	2,588	2,450
Atgyweiriadau a Cynnal a Chadw	4,022	3,871
Arall	250	
Taliad Cymhorthdal CRT	2,320	1,907
Costau Cyllido Cyfalaf	2,097	2,441
Cyfraniadau Refeniw	1,500	1,775
	<b>12,777</b>	<b>12,444</b>
<b><u>Cyllideb Refeniw</u></b>		
Incwm Rhenti	12,502	12,650
Modurdai	186	195
Llog	1	3
Incwm arall	81	83
	<b>12,770</b>	<b>12,931</b>
<b>Gwarged / - Diffyg am y Flwyddyn</b>	<b>-7</b>	<b>488</b>
Balans Ddygwyd Ymlaen	247	240
<b>Balans i'w ddwyn ymlaen</b>	<b>240</b>	<b>728</b>

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## AGENDA ITEM NO.

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to</b>	<b>THE EXECUTIVE AND THE COUNTY COUNCIL</b>
<b>Date</b>	<b>18<sup>th</sup> FEBRUARY 2013 and 5<sup>th</sup> MARCH 2013</b>
<b>Subject</b>	<b>CONSTITUTIONAL CHANGES</b>
<b>Portfolio Holder(s)</b>	<b>COUNCILLOR JOHN CHORLTON</b>
<b>Lead Officer(s)</b>	<b>MONITORING OFFICER</b>
<b>Contact Officer</b>	<b>MONITORING OFFICER</b>
<b>Nature and reason for reporting</b>	
Constitutional changes require executive consideration and Council approval	

<b>A – Introduction / Background / Issues</b>
Seven proposed Constitutional changes to take effect immediately after the election.

<b>B - Considerations</b>
<p>A combination of :-</p> <ul style="list-style-type: none"> <li>- Amendments 1, 6 and 7 to support corporate governance and</li> <li>- Amendments 2 to 5 to assist Members in managing workloads after the election</li> </ul>

<b>C – Implications and Impacts</b>	
<b>1</b>	<b>Finance / Section 151</b>
<b>2</b>	<b>Legal / Monitoring Officer</b>
<b>3</b>	<b>Human Resources</b>
<b>4</b>	<b>Property Services</b> (see notes – separate document)
<b>5</b>	<b>Information and Communications Technology (ICT)</b>
<b>6</b>	<b>Equality</b> (see notes – separate document)
<b>7</b>	<b>Anti-poverty and Social</b>

<b>C – Implications and Impacts</b>		
	(see notes – separate document)	
<b>8</b>	<b>Communication</b> (see notes – separate document)	
<b>9</b>	<b>Consultation</b> (see notes – separate document)	<p>Consultation with relevant Officers and all Members on amendments 6 and 7 – New Relationship Protocol for Members and Officers and Protocol for Multi Member Wards and consultation with relevant Officers in Scrutiny, Planning, Licensing, Audit and Finance in relation to amendments 2, 3 and 4 respectively.</p> <p>Consultation with the Leader and Chief Executive.</p>
<b>10</b>	<b>Economic</b>	
<b>11</b>	<b>Environmental</b> (see notes – separate document)	
<b>12</b>	<b>Crime and Disorder</b> (see notes – separate document)	
<b>13</b>	<b>Outcome Agreements</b>	

<b>CH - Summary</b>
<p>Post-election May 2013 to :-</p> <ol style="list-style-type: none"> <li>1. Make Member training on the Code of Conduct mandatory</li> <li>2. Reduce Scrutiny Committees from 5 to 2</li> <li>3. Reduce numbers on the Planning and Orders Committee (and Licensing) from 14 to 11</li> <li>4. Reduce County Council Membership on the Audit Committee from 10 to 8</li> <li>5. Reduce number on the Executive from 10 to 7 (to include the Leader and Deputy Leader)</li> <li>6. To adopt revised Relationship Protocol for Members and Officers.</li> <li>7. To adopt protocol for Multi Member Wards</li> </ol>

<b>D - Recommendation</b>
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To support the 7 suggested changes

**Name of author of report** Lynn Ball

**Job Title** Head of Function Legal and Administration/Monitoring Officer

**Date**

**Appendices:**

Enclosure 1 – Committee Structure

Enclosure 2 – Draft Relationship Protocol for Members and Officers

Enclosure 3 – Draft Protocol for Multi Member Wards

**Background papers**

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>REPORT TO :</b>	<b>THE EXECUTIVE AND THE COUNTY COUNCIL</b>
<b>DATE:</b>	<b>18<sup>th</sup> FEBRUARY 2013 and 5<sup>th</sup> MARCH 2013</b>
<b>TITLE OF REPORT:</b>	<b>CONSTITUTIONAL CHANGES</b>
<b>PORT FOLIO HOLDER :</b>	<b>COUNCILLOR JOHN CHORLTON</b>
<b>LEAD OFFICER:</b>	<b>MONITORING OFFICER</b>
<b>NATURE AND REASON FOR REPORTING:</b>	<b>TO ENHANCE THE WORKING OF THE NEW COUNCIL AFTER 2<sup>ND</sup> MAY 2013</b>

## **INTRODUCTION**

Constitutional changes require Executive consideration and Council approval.

Seven changes are suggested. These are, broadly, to enhance the working of the new Council after 2<sup>nd</sup> May 2013, but especially to take into account the corporate workload on a reduced number of Members.

The suggested changes are:-

### **AMENDMENT 1 - MEMBER TRAINING**

On the 31<sup>st</sup> October 2012 the Standards Committee decided to recommend to the Council that the Code of Conduct be amended to make training on the Code mandatory in the following ways:-

- Those Members elected to the County Council for the first time would be required to undertake a minimum of one training session on the Code within the first six months of taking office;
- Any returning Member who was not a County Councillor immediately prior to the election (i.e. without continuity of office) would be required to attend a minimum of one training session on the Code within the first six months of taking office;
- Any returning Member, who was a County Councillor immediately prior to the election, would be required to undertake at least one training session on the Code during their term of office.

If (and there are no indications that this is under consideration) the statutory Code of Conduct is materially revised then all Members would be required to undertake at least one training session on the new Code during the remainder of their term of office.

## **RECOMMENDATION**

In the interests of good corporate governance, to equip Members to exercise their responsibilities as required by the Code of Conduct, and to assist Members in dealing with any complaints arising under the Code of Conduct, it is recommended that the Council approve the recommendations of the Standards Committee.

## **AMENDMENT 2 – SCRUTINY COMMITTEES**

Attached at “Enclosure 1” is the Committee Structure currently in place. This will give Members an indication of their current corporate workload. Additionally, Members will have a leading role within their own enlarged wards, as well as responsibilities to outside bodies.

In recognition of this workload it is suggested that, after the election, the current five Scrutiny Committees shall be reduced to two.

## **RECOMMENDATION**

- Following the election on 2<sup>nd</sup> May 2013, the number of Scrutiny Committees be reduced from five to two.
- The two new Scrutiny Committees shall be called the “Corporate Scrutiny Committee” and the “Partnership Scrutiny Committee”.
- The current call-in powers shall remain in place except that those powers shall be shared between the two new Scrutiny Committees, rather than being exercised by the Corporate Scrutiny Committee alone.
- In the event of uncertainty regarding which Scrutiny Committee is the more appropriate to call-in a particular matter, the final decision shall be made by the Chief Executive following advice from relevant Officers.
- The Council authorises Officers to devise terms of reference for the new Scrutiny Committees. This shall be done in consultation with the Chairs of the current Scrutiny Committees, and the Group Leaders, as well as relevant Officers. The emphasis will be permissive rather than prescriptive, and generic rather than specific; in other words, as flexible as possible.

## **AMENDMENT 3 – PLANNING AND ORDERS COMMITTEE**

The membership of the Planning and Orders Committee (and therefore by default the Licensing Committee too) currently stands at fourteen Members. It is suggested that, after the election, this shall be reduced to eleven Members.

## **RECOMMENDATION**

- That following the election on 2<sup>nd</sup> May 2013 the number of Members on the Planning and Orders Committee shall reduce from fourteen to eleven.
- While acknowledging that the rules of political balance must always have primacy, the Group Leaders (and equivalent for allocation of seats to specific unaffiliated Members) shall use their best endeavours to nominate one Member from each of the new eleven multi member wards.

#### **AMENDMENT 4 – AUDIT COMMITTEE**

The membership of the Audit Committee currently stands at ten County Councillors and two lay Members. It is suggested that, after the election, this shall be reduced to eight County Council Members and two lay Members.

#### **RECOMMENDATION**

That after May 2013 the number of County Council Members on the Audit Committee shall be reduced from ten to eight.

#### **AMENDMENT 5 – THE EXECUTIVE**

The Council may have an Executive of no more than ten Members; to include the Leader and Deputy Leader.

However, bearing in mind the need for a reduced number of Members to still undertake other corporate roles, it is suggested that the number of Members on the Executive be reduced to seven; to include the Leader and Deputy Leader.

#### **RECOMMENDATION**

In response to local circumstances, and given the statutory discretion permitted, the number of Executive Members shall be reduced from ten to seven. This number shall include the Leader and Deputy Leader.

#### **AMENDMENT 6 – RELATIONSHIP PROTOCOL FOR MEMBERS AND OFFICERS**

The existing Protocol is in Part 5 of the Constitution.

The Standards Committee has redrafted the Protocol to make it shorter and more user friendly for Members and Officers. There are no material changes to the principles in the original document. The new draft Protocol was sent out to Members and Officers for consultation between 11 October 2012 and 27 November 2012. The Constitution did not result in any material changes to the draft.

“Enclosure 2” to this Report contains the final version and Members are asked to approve the revised Protocol for inclusion in the Constitution, by May 2013.

## **RECOMMENDATION**

To endorse the recommendation of the Standards Committee and replace the current Protocol with the revised Protocol at Enclosure 2 of this Report.

## **AMENDMENT 7 –PROTOCOL FOR MULTI MEMBER WARDS**

In view of the change to multi member wards, the Standards Committee prepared a draft Multi Member Ward Protocol which is attached at “Enclosure 3” to this Report.

This document went out to consultation with Members and Officers between 17 December 2012 and 31 January 2013. The consultation did not result in any material changes to the draft.

The Protocol has been created to assist Members and Officers in dealing with the new challenges of multi member wards but was also devised to be sufficiently broad to allow Members to develop their own working model as local circumstances dictate.

## **RECOMMENDATION**

- Members adopt the Protocol devised by the Standards Committee, with effect from May 2013.
- The Council decides whether or not the Multi Member Ward Protocol shall sit as an independent freestanding document in Part 5 of the Constitution, or whether it should be rolled into the Relationship Protocol for Members and Officers, to create a single document. The Standards Committee wished to see a single document, but Members are asked to select their own preference.

PAPUR / ENCLOSURE

1





PAPUR / ENCLOSURE  
2

# **ISLE OF ANGLESEY COUNTY COUNCIL**

## **RELATIONSHIP PROTOCOL FOR MEMBERS AND OFFICERS**

### **INDEX**

1. Introduction
2. Principles
3. The Role of Members
4. The Role of Officers
5. The Relationship between Members and Officers: General
6. The Council as Employer
7. Chairperson and Officers
8. Executive Members and Officers
9. Scrutiny Members and Officers
10. Members of other Committees or Sub-Committees and Officers
11. Political Groups and Officers
12. Local Members and Officers
13. Media Relations
14. Correspondence
15. Use of Council Resources
16. Breach of this Protocol

### 1. **INTRODUCTION**

- 1.1 The Council subscribes to the view that no local authority can function effectively without a good professional relationship between its Members and Officers.
- 1.2 The purpose of this Protocol is to guide Members and Officers of the Council in their relationships with one another; aiming to promote the high standards in public office which are required for successful local government.
- 1.3 This Protocol seeks to promote greater clarity and certainty and to offer general advice and guidance.
- 1.4 A breach of this Protocol may constitute a breach of the Council's Code of Conduct for Members or the Code of Conduct for Officers.
- 1.5 This Protocol also tries to reflect the principles which underlie the respective Codes of Conduct, for Members and Officers. The shared objective of these Codes is to enhance and maintain the integrity of local government, thereby demanding very high standards of personal conduct.

## 2. PRINCIPLES

- 2.1 Members and Officers must, at all times during their dealings with one another, observe this Protocol.
- 2.2 Members and Officers must always respect each other's roles and responsibilities. They must show respect in all their dealings, by observing reasonable standards of courtesy, and by not seeking to take unfair advantage by virtue of their respective positions.
- 2.3 Whilst Members and Officers are indispensable to one another, their responsibilities are separate and distinct. Members are accountable to the electorate, serving only for as long as their term of office lasts. Officers are accountable to the Council as a whole and their job includes giving advice to Members (both individually and collectively) and to carry out the Council's work under the direction of the Council and in accordance with their line management accountabilities.
- 2.4 The Council has adopted Codes of Conduct for both Members and Officers. Both represent best practice. The Members' Code follows the national code, which is based on the general principles governing Members' conduct. These are:-
- Selflessness – serving only the public interest.
  - Honesty and integrity – taking all reasonable steps to avoid these being called into question, not behaving improperly.
  - Objectivity – taking decisions on merit.
  - Accountability – to the public; being open to scrutiny.
  - Openness – giving explanations and reasons for decisions.
  - Personal judgment – reaching one's own conclusions and acting accordingly.
  - Respect for others – promoting equality; avoiding discrimination, respecting others (Member/Member, as well as Member/Officer).
  - Duty to uphold the law – not acting unlawfully.
  - Stewardship – ensuring the prudent use of the Council's resources.
  - Leadership – acting in a way which instils public confidence.
- 2.5 Officers are bound by the Council's Code of Conduct for Officers and, in some cases, by their own professional Codes of Conduct as well.
- 2.6 A breach of this Protocol by a Member may result in a complaint to the Public Services Ombudsman for Wales (PSOW) if it appears that a breach of the Protocol also constitutes a breach of the Members' Code of Conduct. Other breaches of the Protocol, falling outside the PSOW's jurisdiction, may

be dealt with under any local Self Regulation Protocol. Breaches by an Officer may lead to disciplinary action.

### **3. THE ROLE OF MEMBERS**

- 3.1 Members have a number of roles and responsibilities and need to be alert to the potential for conflict, which may arise between their roles. In those situations, it is recommended that Members seek the advice of their senior colleagues, relevant Officers and/or the Monitoring Officer.
- 3.2 Collectively, Members are the Council's ultimate policy makers; determining the strategic plans which constitute the policy framework and setting the Council's annual budget.
- 3.3 Members also represent the wider community of the Isle of Anglesey, acting as community leaders to promote the social, economic and environmental wellbeing of the area; often in partnership with other agencies or as representatives on outside bodies.
- 3.4 Every Member represents the interests of, and is an advocate for, their electoral ward and individual electors. Members represent the Council in their ward, responding to local issues and concerns, meeting with partner agencies, and often serving on local bodies.
- 3.5 Some Members have roles relating to their position as Members of the Executive, Scrutiny Committees, Regulatory Committees or Sub-Committees and Panels of the Council.
- 3.6 Members of the Executive may also have individual delegated powers, either generically, or on an ad-hoc basis.
- 3.7 Members of the Executive may determine matters within their portfolio of responsibilities but implementation of their decisions will be the responsibility of Officers.
- 3.8 Members who serve on Committees or Sub-Committees have collective responsibilities, for example deciding regulatory/quasi-judicial matters (i.e. decisions which have an immediate and significant impact upon individual applicants/objectors etc.) and which by law are excluded from the remit of the Executive.
- 3.9 As politicians, Members may express the values and aspirations of the political party or group to which they belong, but also recognising that in their role as Members they have a duty to always act in the public interest.
- 3.10 In their numerous roles, described in paragraphs 3.2 to 3.9, the conduct of Members sets the tone and the core values of the Council
- 3.11 Through performance appraisal, target setting, and day to day management, Officers receive their instructions from their line managers. Members are not authorised to instruct Officers, other than:

- through the formal decision making process;
  - to request the provision of consumable resources provided by the Council for the use of Members;
  - where staff have been specifically allocated to give support to a Member or a group of Members.
- 3.12 Members are not authorised to initiate or certify financial transactions, or to enter into a contract on behalf of the Council.
- 3.13 Members must avoid taking actions which are unlawful, financially improper or likely to amount to maladministration (i.e. contrary to policy or procedure) Members have an obligation under their Code of Conduct to have due regard, when reaching decisions, to any advice provided by the lead Officer and particularly the Chief Executive, the Section 151 Officer and the Monitoring Officer.
- 3.14 Members must respect the impartiality of the Officers and do nothing to compromise it, e.g. by insisting that an Officer change his/her professional advice.
- 3.15 Members have a duty to abide by the requirements described in their Code of Conduct.

#### 4. **THE ROLE OF OFFICERS**

- 4.1 Officers are responsible for giving advice to Members to enable them to fulfil their roles. In doing so, Officers will take into account all available relevant factors.
- 4.2 Under the direction and control of the Council (including, as appropriate, the Executive, Committees and Sub-Committees), Officers manage and provide the Council's services within the framework of responsibilities delegated to them. This includes the effective management of employees and operational issues.
- 4.3 Officers have a duty to implement decisions of the Council, the Executive, Committees and Sub-Committees which are lawful, and which have been properly approved in accordance with the requirements of the law and the Council's constitution, and duly minuted.
- 4.4 Officers have a contractual and legal duty to be impartial. They must not allow their professional judgment and advice to be influenced by their own personal views.
- 4.5 Officers must assist and advise all parts of the Council. They must always act to the best of their abilities in the best interests of the Council as expressed in the Council's formal decisions.
- 4.6 Officers must be alert to issues which are, or are likely to be contentious, or

politically sensitive, and be aware of the implications for Members, the media or other sections of the public.

- 4.7 Officers have the right not to support Members in any role other than that of Member, and not to engage in actions incompatible with this Protocol. In particular, there is a statutory limitation on Officers' involvement in political activities. Acting in contravention of the statutory limitation may result in disciplinary action.

## 5. **THE RELATIONSHIP BETWEEN MEMBERS AND OFFICERS: GENERAL**

- 5.1 The conduct of Members and Officers should be such as to instil mutual confidence and trust.
- 5.2 The key elements are recognition of, and a respect for, each other's roles and responsibilities. These should be reflected in the behaviour and attitude of each to the other, both publicly and privately.
- 5.3 Informal and collaborative contact between Members and Officers is encouraged, but personal familiarity may damage the relationship, as might a family or business connection.
- 5.4 Members and Officers should inform the Monitoring Officer, or the relevant Corporate Director, of any relationship which might be perceived as unduly influencing their work in their respective roles. Personal relationship can also include someone with whom you have been in dispute, or whom you may be regarded as having an interest in disadvantaging, (i.e. similar to the Ombudsman's definition of 'A Close Personal Associate' in his Guidance Document on the Code of Conduct).
- 5.5 As well as avoiding actual impropriety, Members and Officers should always be open about their relationships to avoid any reason for suspicion and any appearance of improper conduct. Where a personal relationship has been disclosed, those concerned should avoid a situation where conflict might be reasonably perceived. Specifically, a Member must not sit on any body, or participate in any decision, which directly affects the Officer on a personal basis. Such circumstances are, in any event, likely to also constitute a prejudicial interest under the Members' Code of Conduct.
- 5.6 Officers serve the Council as a whole. They have a duty to implement the properly authorised decisions of the Council.
- 5.7 Officers work to the instructions of their line managers, not individual Members. It follows that, whilst such Officers will always seek to assist a Member, they must not be asked to exceed the bounds of authority they have been given by their managers. Except when the purpose of an enquiry is to seek factual information, which the Member is entitled to receive, Members should usually direct any requests and concerns to a Head of Service/Corporate Director, in the first instance.

- 5.8 Officers will do their best to give timely responses to Members' enquiries. However, Officers should not have unreasonable requests placed on them. Their work priorities are set and managed by their managers. Members should avoid disrupting Officers' work by attempting to impose their own priorities. Officers should report any such concerns to their line manager.
- 5.9 Members will endeavour to give timely responses to enquiries from Officers.
- 5.10 Staff are entitled to raise issues with their local Member, as citizens of the County. They must not, however, lobby Members on personal employment matters. This is to ensure that Members, as both employers and policy makers, receive balanced, unified advice within an orderly framework. Members must refuse to respond to inappropriate lobbying from staff and must inform the relevant Head of Service/Corporate Director.
- 5.11 Members and Officers should respect each other's free (i.e. non Council) time.

## 6. THE COUNCIL AS EMPLOYER

- 6.1 Officers are employed by the Council as a whole.
- 6.2 Members' roles are limited to:
- the appointment of specified senior posts;
  - determining human resources policies and conditions of employment; and
  - hearing and determining relevant appeals.
- 6.3 Members shall not act outside these roles.
- 6.4 If participating in the appointment of Officers, Members should:
- remember that there is a statutory duty to appoint on merit alone;
  - never canvass support for a particular candidate;
  - not participate, or seek to influence the outcome, if one of the candidates is a close personal associate;
  - not be influenced by preferences other than ones of merit and suitability for the job; and
  - not favour a particular candidate by giving them information not available to the other candidates;
  - abide by the requirements in the Members' Code of Conduct.
- 6.5 A Member should not sit on an appeal hearing if the appellant is a friend, a relative, or an Officer with whom the Member has, or has had, a close



working relationship.

## 7. **CHAIRPERSON AND OFFICERS**

Officers will respect the position of the Council's Chairperson and provide appropriate support.

## 8. **EXECUTIVE MEMBERS AND OFFICERS**

- 8.1 Executive Members will take decisions in accordance with the constitution and will not otherwise direct staff. Corporate Directors/Heads of Service will be responsible for ensuring staff implement the Executive's decisions.
- 8.2 Corporate Directors/Heads of Service (as well as the statutory officers) have the right to submit papers to the Executive as a whole or, where relevant, to individual Executive Members for consideration prior to any decision being made.
- 8.3 Corporate Directors/Heads of Service and Executive Members shall agree mutually convenient methods of regular contact. Before taking any formal decisions, the Executive will seek appropriate professional advice including, without exception, the Monitoring Officer and Section 151 Officer, and will not direct Officers in the framing of recommendations.
- 8.4 Before any formal decisions with a financial implication are taken by the Executive, the Section 151 Officer and the Corporate Directors/Heads of Service for the Service(s) concerned must be consulted. This is to ensure that those Officers who are budget holders:
- are aware of the proposed decision;
  - have the opportunity to offer advice; and
  - are subsequently able properly to authorise the financial transactions needed to implement decisions.
- 8.5 An individual Executive Member who is minded to write or commission a report, or to make a decision about a matter within his/her portfolio, must ensure that those other Members and Officers who need to know of the matter are so informed. There is a particular requirement to involve other Executive Members on cross cutting issues.
- 8.6 When making decisions, Executive Members (whether collectively or individually) must state the reasons for their decisions. The written record of the decisions must include the reasons.
- 8.7 Officers taking decisions under their own delegated powers must consider the advisability of informing the relevant Executive Member(s) of their intentions, in advance, when the matter to which the decision relates is likely to be sensitive or contentious, or has wider policy implications.

## 9. **SCRUTINY MEMBERS AND OFFICERS**

- 9.1 Chairs and Vice Chairs of Scrutiny Committees shall maintain regular contact with the Scrutiny Officers who provide the principal support to the scrutiny function. In consultation with the Chairs, it shall be the responsibility of those Officers to ensure that those who need to know of matters being considered, or likely to be the subject of future consideration, are so informed.
- 9.2 A Scrutiny Committee, or its Chair acting on behalf of the Committee, may require Officers to attend Scrutiny meetings. Members should not normally expect Junior Officers to do so, though, and all requests for the attendance of any Officer should be made to the relevant Head of Service/Corporate Director.
- 9.3 When making requests for Officer attendance, Scrutiny Members shall have regard to the workload of Officers.
- 9.4 When attending at Scrutiny Committee (or Scrutiny Outcome Panels) Officers should be prepared to justify any advice they have already given on the issue under consideration, even if the advice was not accepted. Officers may also be required to justify decisions that they have taken under their own delegated powers, or in circumstances where they have been properly authorised to take Executive decisions.
- 9.5 In giving information to Scrutiny Committees, or Outcome Panels, Officers must not be asked, and should not offer, political views.
- 9.6 When questioning Officers at Scrutiny, Members should address Officers with dignity and respect, and must treat their responses with courtesy. They should not ask about matters of a disciplinary nature.
- 9.7 Officers should respect Members in the way in which they respond to Members' questions.
- 9.8 Scrutiny must focus on reviewing policies and the performance of the Council, and its Services. Discussion of personal matters, such as the performance of individual Officers is not to be discussed in these forums, under any circumstances. In this context Members are referred to Section 16 of this Protocol.
- 9.9 If it is a relevant factor, before calling-in a decision of the Executive, Scrutiny Members should seek early advice from the Section 151 Officer, if they consider that the relevant decision is contrary to the Council's Budgetary Framework, and from the Monitoring Officer, if they consider that the decision is contrary to the Council's Policy Framework.

10. **MEMBERS OF OTHER COMMITTEES OR SUB-COMMITTEES AND OFFICERS**

- 10.1 The Officer with lead responsibility will arrange regular informal meetings with the Chairs and Vice-Chairs of Committees and Sub-Committees.
- 10.2 Corporate Directors/Heads of Service (including the statutory officers) have the right to present reports and give advice to Committees and Sub-Committees.
- 10.3 Members of a Committee or Sub-Committee shall take decisions within the remit of that Committee or Sub-Committee, and will not otherwise instruct Officers to act.
- 10.4 At some Committee or Sub-Committee meetings, a resolution may be passed which authorises a named Officer to take action between meetings in consultation with the Chair. In these circumstances it is the Officer, not the Chair, who takes the action and is responsible for it. A Chair has no legal power to take decisions on behalf of a Committee or Sub-Committee, neither should he/she apply inappropriate pressure on the Officer.

11. **POLITICAL GROUPS AND OFFICERS**

- 11.1 Corporate Directors/Heads of Service may properly be asked to contribute to deliberations of matters concerning Council business by political groups. Officers have the right to refuse such requests, and will normally not attend a meeting of a political group where some of those attending are not Members of the Council.
- 11.2 Officer support will not extend beyond providing factual information or professional advice in relation to matters of Council business. Officers must not be involved in advising on matters of group business, and therefore should not be expected to be present at meetings, or parts of meetings, when such matters are to be discussed.
- 11.3 Political group meetings are not empowered to make decisions on behalf of the Council, and conclusions reached at such meetings do not rank as formal decisions. The presence of an Officer confers no formal status on such meetings in terms of Council business and must not be interpreted as doing so. Where Officers provide factual information and advice to a political group in relation to a matter of Council business, this is not a substitute for providing all the necessary information and advice when the matter in question is formally considered by a relevant body of the Council.
- 11.4 It must not be assumed that an Officer is supportive of a particular policy or point of view considered at a political group meeting simply because the Officer has attended or provided information to the meeting.
- 11.5 Officers will respect the confidentiality of any political group discussions at which they are present and, unless expressly requested to do so by that

political group, will not relay the content of such discussions to another political group, or to any other Member or Members. This shall not prevent an Officer providing feedback to other Officers on a “need to know” basis.

- 11.6 In their dealings with political groups, Officers must treat each group in a fair and even-handed manner.
- 11.7 Members must not do anything which comprises, or is likely to compromise, an Officers’ impartiality.
- 11.8 The duration of an Officer’s attendance at a political group meeting will be at the discretion of the group, but an Officer may leave at any time if the Officer feels it is no longer appropriate to remain.
- 11.9 An Officer accepting an invitation to the meeting of one political group shall not decline an invitation to advise another group about the same matter. The Officer must give substantially the same advice to each.
- 11.10 An Officer below the level of Head of Service shall not be invited to attend a political group meeting, but the Officer so invited may nominate another Officer to attend on their behalf.
- 11.11 An Officer should be given the opportunity of verifying comments and advice attributed to them in any written record of a political group meeting.
- 11.12 No Member will refer in public, or at meetings of the Council, to advice or information given by Officers to a political group meeting.
- 11.13 At political group meetings, where some of those present are not Members of the Council, care must be taken not to divulge confidential information relating to Council business. Those who are not Members are not bound by the Members’ Code of Conduct. They do not have the same rights to access Council information as Members.
- 11.14 Any particular cases of difficulty or uncertainty, in relation to this part of the Protocol, should be raised as soon as possible with the Chief Executive and the relevant political group leader.

## 12. **LOCAL MEMBERS AND OFFICERS**

- 12.1 To enable them to carry out their ward role effectively, Members need to be fully informed about matters affecting their ward. Corporate Directors/Heads of Service must ensure that all relevant staff are aware of the requirement to keep local Members informed, thus allowing those Members to contribute to the decision making process and to develop their representative role.
- 12.2 This requirement is particularly important:
  - during the formative stages of policy development, where practicable;

- in relation to significant or sensitive operational matters;
  - whenever any form of public consultation exercise is undertaken; and
  - during a Scrutiny investigation.
- 12.3 All local Members affected will need to be kept equally well informed. This includes multi Member wards and where issues affect more than one ward.
- 12.4 Whenever a public meeting is organised by the Council, to consider a local issue, all of the Members representing the ward/s affected shall be invited to attend the meeting as a matter of course.
- 12.5 If a local Member intends to arrange a public meeting on a matter concerning some aspect of the Council's work, then the local Member should inform the relevant Corporate Directors/Heads of Service. Provided the meeting has not been arranged on a party political basis:
- an Officer may attend, but is not obliged to do so, and
  - subject to the necessary arrangements, the meeting may be held in Council owned premises.
- 12.6 No such meetings should be arranged or held in the immediate run up to Council elections.
- 12.7 Whilst support for Members' ward work is legitimate, care should be taken if Officers are asked to accompany Members to ward surgeries. In such circumstances:
- the surgeries must be open to the general public, and
  - Officers should not be requested to accompany Members to surgeries held in the offices or premises of political groups or parties.
- 12.8 Officers must never be asked to attend ward or constituency political party meetings.
- 12.9 It is acknowledged that some Council staff (e.g. those providing dedicated support to Executive Members) may receive and handle messages for Members on topics unrelated to the Council. Whilst these will often concern diary management, care should be taken to avoid Council resources being used for private or party political purposes.
- 12.10 In seeking to deal with constituents' queries or concerns, Members should not seek to jump the queue but should respect the Council's procedures. Officers have many pressures on their time. They may not be able to carry out the work required by Members in the requested timescale, and may need to seek instructions from their managers.

### 13. MEDIA RELATIONS

- 13.1 All formal relations with the media must be conducted in accordance with the **Media Protocol included as part of the Council's Communications Strategy (which is available on the Council's website)**; and the law on local authority publicity.
- 13.2 In their dealings with the media, Members are reminded of their confidentiality obligations under the Code of Conduct.
- 13.3 Officers will keep relevant Members informed of media interest in the Council's activities, especially regarding strategic or contentious matters.
- 13.4 Officers approached by the media should redirect enquiries to the Communications Unit.
- 13.5 Likewise, Officers will inform the Council's Communications Unit of issues likely to be of media interest, since that unit is often the media's first point of contact.
- 13.6 If a Member is contacted by, or contacts, the media on an issue, he/she should:
- indicate in what capacity he/she is speaking (e.g. as ward Member, in a personal capacity, as an Executive Member, on behalf of the Council, or on behalf of a political group);
  - be sure of what he/she wants to say or not to say;
  - if necessary, and always when he/she would like a press release to be issued, seek assistance from the Council's Communications Unit and/or relevant Corporate Directors/Heads of Service, except in relation to a statement which is party political in nature;
  - consider the likely consequences for the Council of his/her statement;
  - never give a commitment in relation to matters which may be subject to claims from third parties and/or are likely to be an insurance matter;
  - consider whether to consult other relevant Members;
  - take particular care in what he/she says in the run up to local or national elections to avoid giving the impression of electioneering, unless he/she has been contacted as an election candidate or political party activist;
  - all references in this section to the media includes print media,

broadcast media and electronic/social media.

#### 14. **CORRESPONDENCE**

- 14.1 Correspondence between an individual Member and an Officer should not be copied to another Member unless the author expressly intends and states that this is the case or consents. Where correspondence is copied, this should always be made explicit, i.e. there should be no “blind” copies.
- 14.2 Official letters written on behalf of the Council should normally be in the name of the relevant Officer. It may be appropriate in some circumstances (e.g. representations to a Government Minister) for letters to appear in the name of an Executive Member or the Chair of a Scrutiny Committee.
- 14.3 The Chairperson may initiate correspondence in his/her own name.
- 14.4 Letters which create legally enforceable obligations, or which give instructions on behalf of the Council, should never be sent in the name of a Member.
- 14.5 When writing in an individual capacity, as a ward Member, a Member must make clear that fact.

#### 15. **USE OF COUNCIL RESOURCES**

- 15.1 The Council provides Members with services such as typing, printing and photocopying, and goods such as stationery and computer equipment, to assist them in discharging their roles as Members of the Council. These goods and services are paid for from the public purse. They should not be used for private purposes or in connection with party political or campaigning activities.
- 15.2 Members should ensure they understand and comply with the Council’s requirements about the use of such resources, particularly:
  - where facilities are provided in Members’ homes at the Council’s expense;
  - in relation to any locally agreed arrangements e.g. payment for private photocopying; and
  - regarding ICT security.
- 15.3 Members should not put pressure on staff to provide resources or support, which Officers are not permitted to give. Examples are:
  - business which is solely to do with a political party;

- work in connection with a ward or constituency party political meeting;
- electioneering;
- work associated with an event attended by a Member in a capacity other than as a Member of the Council;
- private personal correspondence;
- work in connection with another body or organisation where a Member's involvement is other than as a Member of the Council; and
- support to a Member in his/her capacity as a Councillor of another local authority

## 16. **BREACH OF THIS PROTOCOL**

16.1 This part of the Protocol should be read in conjunction with the Council's **"whistle blowing" policy; which is available on the Council's website.**

16.2 Members or Officers with questions about the implementation or interpretation of any part of this Protocol should seek the guidance of the Monitoring Officer.

16.3 A Member who is unhappy about the actions taken by, or conduct of, an Officer should:

- avoid personal attacks on, or abuse of, the Officer at all times;
- ensure that any criticism is well founded and constructive;
- never make a criticism in public; and
- take up the concern with the Officer privately.

16.4 If direct discussion with the Officer is inappropriate (e.g. because of the seriousness of the concern) or fails to resolve the matter, the Member should raise the issue with the Officer's manager or the relevant Head of Service.

16.5 A serious breach of this Protocol by an Officer may lead to an investigation under the Council's **disciplinary procedure, which is available on the Council's website.**

16.6 An Officer who believes that a Member may have acted in contravention of this Protocol should raise his/her concern with the relevant Head of Service who may seek the advice of the Monitoring Officer as to the most appropriate and proportionate way to address the concern so raised.



PAPUR / ENCLOSURE

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## **1. The Relationship between Members and Officers: Multi Member Wards**

### **1.1 Principles**

- Each Member has been democratically elected to represent the whole of the multi-member ward and each has equal status within the ward.
- Members should agree amongst themselves whether and how they wish to work together.
- It is not the role of Officers to influence whether or how Members work together.
- The role of Officers is to manage and support those relationships and the information and workloads which flow from them.

### **1.2. Provision of information on ward members to the public**

Factual information about ward Members needs to be provided to constituents and organisations seeking contact with a local Member.

(a) When members of the public contact the Council requesting information about their ward Members, contact details of all Members are provided in alphabetical order along with their political affiliation.

(b) Where someone has not identified a particular Member to deal with their concerns the Officer handling the contact should telephone or email the constituent to clarify which Member they would like to deal with their query.

(c) When it is not possible to get clarification over which Member is to be approached, the last resort should be to copy the query to all of the ward Members. In this circumstance the member of the public should be advised that the query will be copied to each of the ward Members and the Members should be advised.

### **1.3. Council activity or policy affecting the ward**

Sharing information with Members about Council activities and policies affecting their ward is a key component of equal treatment.

(a) All Members in a multi-member ward should be kept informed of, and have an input into, matters of Council business which affect their ward.

(b) Whenever a public meeting is arranged by the Council or by a Member to consider an issue local to a ward, or one or more wards in a part of the Council, all the ward Members should normally be invited to attend the meeting.

(c) Whenever the Council undertakes a consultative exercise on an issue local to one or more wards, the appropriate Officers should notify the ward Members of the consultation and request their views on the issue.

(ch) All Members in a multi-member ward should be kept informed of official engagements of Senior Councillors including the Leader, Members of the Executive, Chairs of Committees and Chairperson of the Council and Vice-Chairperson of the Council and officially organised visits to the ward by other elected representatives and VIPs. It is the responsibility of the Senior Councillors to ensure that other Members are informed of their official engagements and in normal circumstances at least 3 days notice of an official engagement should be provided.

(d) In the case of a visit by an MP, AM, MEP, Ministerial representatives or other dignitary, the responsibility for informing local Members rests with the Officer who is organising arrangements for the visit.

#### **1.4. Officer communication to, and meetings with local residents**

(a) When Officers write to residents regarding matters of general concern in an area, all ward Members should be sent copies. Examples would include traffic calming measures, bin collection cycles, etc.

(b) When Officers write to or meet with residents regarding issues affecting one household the local Members are not informed, except:

(i) Where a Member has been involved in a private matter affecting that household, then the relevant Officer(s) should keep the Member informed of developments until the matter is concluded, or

(ii) Where a Member has been involved in a non-personal matter affecting more than one household then the relevant Officer(s) should keep both the Member and all other local Members informed of developments until the issue is finalised.

#### **1.5. Members arranging meetings with Council Officers**

There is no requirement for Officers to automatically invite other ward Members to, or notify them about, meetings organised by an individual Member with that Officer unless the Member requests otherwise.

#### **1.6. Member engagement with local representative groups**

This can include, for example, community councils, tenants and resident's groups, local forums. Members are not obliged to attend these meetings and it is likely that involvement and participation will vary. In some Wards, Members may opt to share this workload based on a Party or geographic basis. Issues arising from these meetings will generate work for Officers, and confusion / duplication may arise if different Members take up issues through separate channels which waste Council resources. The confusion will be heightened if the local representative group also pursues the same issue. It is therefore recommended that Members working with local representative groups should co-ordinate with one another their dealings with such matters to ensure effective use of Council resources.

#### **1.7. Correspondence with Members**

(a) Where a Member has written (or e-mailed) an Officer seeking information from the Council, the Officer will respond to that Member within 15 working days unless the enquiry is particularly complex, when an acknowledgement will be sent within 5 working days, explaining which Officer is dealing with the query and when a full reply will be provided. The Officer will not disclose correspondence to other Members in the ward. However, where a Member raises issues of general concern or interest to the ward, the Officer shall ensure that other Members within the ward are also kept informed and advised of any actions to be taken by the Council.

(b) If Members seek the same or similar information on any issue then Officers shall treat the requests equally and provide each Members with a similar response.

## **1.8. Data Protection and Confidentiality**

Officers and Members must be alert to data protection issues. Personal data can only be provided to a Member when pursuing an individual case on behalf of the constituent when that constituent has provided clear consent, which should be in writing. Such personal data cannot be provided to other Members within the ward unless consent has been received from the constituent.

## **1.9. Member – Member relations**

Where there is a high level of trust between Members in a multi-member ward they may wish to enter into non binding agreements to take advantage of their respective interests and expertise and reduce duplication. The establishment of such agreements is not a matter for Officers but, where any such agreements are established, it would be helpful to communicate these more widely to assist the development of good practice in all multi-member wards.

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