



**CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL**

**GŴYS A RHAGLEN**

**SUMMONS AND AGENDA**

ar gyfer

for a

**CYFARFOD O  
GYNGOR SIR  
YNYS MÔN**

**MEETING OF THE  
ISLE OF ANGLESEY  
COUNTY COUNCIL**

a gynhelir yn

to be held at the

**SIAMBR Y CYNGOR  
SWYDDFA'R SIR  
LLANGEFNI**

**COUNCIL CHAMBER  
COUNCIL OFFICES  
LLANGEFNI**

**DYDD IAU  
4 RHAGFYR 2014**

**THURSDAY,  
4 DECEMBER 2014**

**→ am 2.00 o'r gloch ←**

**→ at 2.00 pm ←**

## **A G E N D A**

**1. PRESENTATION - SCIENCE PARK**

Presentation by Mr I W Jones, Programme Director, Bangor University.

**2. MINUTES**

To submit for confirmation and signature, the minutes of the meetings of the County Council held on the following dates:-

- 30<sup>th</sup> September, 2014 (Extraordinary)
- 9<sup>th</sup> October, 2014

**3. DECLARATION OF INTEREST**

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

**4. TO RECEIVE ANY ANNOUNCEMENTS FROM THE CHAIRPERSON, LEADER OF THE COUNCIL OR THE CHIEF EXECUTIVE**

**5. PRESENTATION OF PETITIONS**

To receive any petition in accordance with Paragraph 4.1.11 of the Constitution.

**6. EXCLUSION OF THE PRESS AND PUBLIC**

To consider adoption of the following :-

“Under Section 100(A)(4) of the Local Government Act 1972, to exclude the press and public from the meeting during discussion on the following item on the grounds that it may involve the disclosure of exempt information as defined in Schedule 12A of the said Act and in the attached Public Interest Test.”

**7. COUNTY COUNCIL'S RESPONSE TO HORIZON POWER PRE-APPLICATION**

To consider a report by the Director of Sustainable Development.

**8. QUESTIONS RECEIVED PURSUANT TO RULE 4.1.12.4 OF THE CONSTITUTION**

To submit the following question on notice by Councillor R.LI. Jones to the Leader of the Council :-

“The Wylfa B consultation has now commenced and we have, as a County Council, had several meetings with the developer explaining all the benefits it will bring to this island.

Although local residents are wanting jobs they are still very concerned with the risks and the need to look after the waste generated by a nuclear power station for Anglesey. In order to balance things up I am calling for a SEMINAR to be

arranged between this Council and representatives opposed to the building of Wylfa B and asking if you and your majority group will support this request. Local residents need to have a voice in this consultation and be fully briefed, up to now we appear to have only had the foreign based developers from Germany, they pulled out, and now from Japan to give us their opinions. Neither of these countries want to build nuclear on their own soil.”

**9. ANGLESEY AND GWYNEDD JOINT LOCAL DEVELOPMENT PLAN - REVISED TIMETABLE**

To submit a report by the Head of Planning a Public Protection.

**10. TREASURY MANAGEMENT STRATEGY STATEMENT AND MID-YEAR REVIEW REPORT**

To consider a report by the Interim Head of Function (Resources) and Section 151 Officer, as submitted to the Executive on 1<sup>st</sup> December, 2014.

**11. COUNCIL TAX REDUCTION SCHEME FOR 2015-16**

To consider report by the Interim Head of Function (Resources) and Section 151 Officer as submitted to the Executive on 1<sup>st</sup> December, 2014.

**12. DATE OF COUNCIL MEETING - MAY, 2015**

To consider re-scheduling the date of the Council meeting on 7<sup>th</sup> May, 2015 due to the Parliamentary election.

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**ISLE OF ANGLESEY COUNTY COUNCIL**

**Minutes of the meeting held on 30 September 2014**

- PRESENT:** Councillor Vaughan Hughes (Chair)  
Councillor Jim Evans (Vice-Chair)
- Councillors Raymond Jones, Lewis Davies, R Dew, Ann Griffith, John Griffith, D R Hughes, K P Hughes, T LI Hughes, Victor Hughes, W T Hughes, Llinos Medi Huws, A M Jones, G O Jones, H E Jones, R LI Jones, R.Meirion Jones, Richard Owain Jones, Jeffrey M.Evans, Alun W Mummery, R G Parry OBE, Dylan Rees, J A Roberts, P S Rogers, Alwyn Rowlands, Dafydd Rhys Thomas and Ieuan Williams
- IN ATTENDANCE:** Chief Executive,  
Deputy Chief Executive,  
Corporate Director (Sustainability),  
Corporate Director (Lifelong Learning),  
Acting Head of Function (Resources)/Section 151 Officer,  
Legal Services Manager (RJ),  
Interim Accountancy Services Manager (BHO),  
Corporate Transformation & Governance Business Manager (ET),  
Committee Officer (MEH).
- ALSO PRESENT:** None
- APOLOGIES:** Councillor Carwyn Jones and Nicola Roberts

The meeting was opened by a prayer offered by Councillor T Victor Hughes

**1. DECLARATION OF INTEREST**

No declaration of interest.

**2. TO RECEIVE ANY ANNOUNCEMENTS FROM THE CHAIRPERSON, LEADER OF THE COUNCIL OR THE CHIEF EXECUTIVE**

The Chair was extremely pleased to welcome Councillor Dafydd R. Thomas to the County Council following his recent illness. Councillor Thomas wished to thank the Members for their good wishes during his illness and the support his close family have received by family and friends. He also wished to thank Team Alaw at Ysbyty Gwynedd for their kindness during his illness.

The Chair extended his sympathy to Councillor J. Arwel Roberts on the loss of his mother-in-law recently.

He also extended his sympathy to the family of Ben Calveley who was killed in a road accident near his home in Carmel, Llannerchymedd. Ben Calveley was related to Councillor Nicola Roberts.

The Chair extended his sympathy to the family of Issac Nash who remains missing following having been swept to sea at Aberffraw whilst on holiday on Anglesey.

The Chair sympathised with any member of the Council or staff who had suffered bereavement. Members and Officers stood as a mark of their respect.

The Vice-Chair congratulated the Chair on the publication of his book 'Cymru Fawr' recently.

### **3. STATEMENT OF ACCOUNTS 2013-14**

Submitted – the report of the Interim Head of Function (Resources) and Section 151 Officer on the finalised Statement of Accounts 2013/2014.

The Chair of the Audit Committee reported that the Audit Committee at its meeting on 23th September, 2014, upon consideration of the Statement of Accounts had resolved to recommend that the County Council accepts and approves the Statement of Accounts for 2013/2014.

The Interim Head of Function (Resources) and Section 151 Officer stated that minor adjustments had been made to Pages 43 and 70.

**RESOLVED to confirm acceptance of the 2013/2014 Statement of Accounts.**

### **4. RESPONSE TO THE WHITE PAPER ON LOCAL GOVERNMENT REFORM**

Submitted – a report by the Chief Executive.

The Chief Executive gave a background report on the White Paper on Local Government Reform. He noted that a Task and Finish Group was established in August 2014 to discuss the implications for Anglesey in the Government's proposals and having already declared its response to the Williams Commission recommendations on the case for public service reform. The Group has met on two occasions to date and has scrutinized in detail all the relevant documentation, the presentations made by Senior Officers, together with the emerging views within the region and on a national basis.

A Seminar was held for all Members of the Council on 18 September, 2014 which provided information regarding the Government White Paper on Local Government Reform and to raise awareness of key issues to be addressed from an Anglesey prospective.

The Chief Executive gave details of the advantages and disadvantages of becoming an early adopting Authority in respect of a proposal to merge.

Members of the County Council raised the following main issues :-

- They were not convinced that there would be benefits to mergers and would answer the financial cuts by local authorities across Wales;
- The views of the residents of the Island should be paramount and consideration should be given to holding a Referendum on the viewpoints of the electorate in respect of the propose merger with a neighbouring authority;
- Voluntary merger would have huge cost implications;
- Staff implications;
- Possible Council Tax increase for the residents of Anglesey due to merger.

The Council considered the recommendations of the report and approved 7.1 to 7.4.

In respect of recommendation whether to enter into a voluntary merger with one or more authorities, a recorded vote was taken under the provisions of 4.1.18.5 of the Constitution.

The recorded vote was as follows :-

**Not to declare an expression of interest in an early adopted or a merged Authority :-**

Councillors R.A. Dew, Jeff M. Evans, Ann Griffith, John Griffith, D.R. Hughes, K.P. Hughes, T.LI. Hughes, T.V. Hughes, Vaughan Hughes, W.I. Hughes, Llinos M. Huws, A.M. Jones, G.O. Jones, H.E. Jones, Raymond Jones, R.LI. Jones, R. Meirion Jones, R.O. Jones, Alun Mummery, Bob Parry OBE, Dylan Rees, J. Arwel Roberts, Alwyn Rowlands, D.R. Thomas, Ieuan Williams.

**TOTAL 25**

**Against the recommendation :-**

Councillor P.S. Rogers

**TOTAL 1**

**Abstentions :**

**NIL**

**It was RESOLVED**

• **To request further information from Welsh Ministers regarding the options available for consideration by this Council, before determining its position on proposals for merger with other Authorities and, in particular, to seek better clarity around the financial incentives to become an early adopter Authority and, to that end, request that the Minister of Public Services be invited to a meeting of the Full Council to discuss these matters at his earliest convenience.**

• **That in its response to the series of questions raised in the White Paper on Local Government Reform :-**

• **The Council draws attention to its previous response to the Williams Commission Report which covers most of the issues to which the consultees are invited to respond;**

- The Council endorses the response to the consultation produced by WLGA and presented to the WLGA Council on 26 September, 2014.

- That the Council authorises the Leader of the Council and the Chief Executive to engage in formal discussions at local, regional and national level to promote the interests of Anglesey citizens, with partner organisations, as the agenda for reform develops and to report on the outcome of these discussions, as appropriate, to Council through the Task and Finish Group, the Group Leaders meetings and the Senior Leadership Team of officers with a view to making a formal presentation to Council for determination prior to implementing any discussions.

- That the Leader and Chief Executive are authorized to establish effective communication and community engagement strategies to gain the views of the citizens and communities of Anglesey prior to the Council adopting its standpoint on Local Government Reform and its implications for Anglesey.

- That the Council, having given proper consideration to the matters outlined in Section 6 of the report, resolved not to declare an expression of interest in an early adopted or a merged Authority, by the closing date of 28 November, 2014.

**5. EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED to adopt the following :-

“Under Section 100(A)(4) of the Local Government Act 1972, to exclude the press and public from the meeting during discussion on the following item on the grounds that it involves the disclosure of exempt information as defined in Schedule 12A of the said Act and in the attached Public Interest Test.”

**6. CONSTITUTIONAL CHANGES - SCHEME OF DELEGATION (IT SERVICES STRUCTURE)**

Submitted and accepted - a report by the Deputy Chief Executive.

The meeting concluded at 4.15 pm

**COUNCILLOR VAUGHAN HUGHES  
CHAIR**



# ISLE OF ANGLESEY COUNTY COUNCIL

## Minutes of the meeting held on 9 October 2014

**PRESENT:** Councillor Vaughan Hughes (Chair)  
Councillor Jim Evans (Vice-Chair)

Councillors Lewis Davies, Richard Dew, Ann Griffith, John Griffith, Derlwyn Hughes, Kenneth Hughes, Trefor Ll. Hughes, Victor Hughes, W.T. Hughes, Aled M. Jones, Gwilym O. Jones, H. Eifion Jones, Raymond Jones, Richard O. Jones, R. Meirion Jones, Alun Mummery, R. G. Parry, OBE, Dylan Rees, J. Arwel Roberts, Peter S. Rogers, Alwyn Rowlands, Dafydd R. Thomas, Ieuan Williams

**IN ATTENDANCE:** Chief Executive  
Head of Function (Council Business)  
Interim Head of Democratic Services  
Head of Service (Children's Services) (for item 6)  
Head of Service (Adults' Services) (for item 6)  
Business Planning & Programme Manager (for item 6)  
Senior Accountant (Strategic Planning) (for item 7)  
Committee Officer (ATH)

**APOLOGIES:** Councillors Llinos M. Huws, Carwyn Jones, R. Llewelyn Jones, Nicola Roberts

### 1. MINUTES

The minutes of the previous meetings of the Isle of Anglesey County Council held on the following dates were submitted and confirmed as correct:

- 8th May, 2014 (10:30 a.m.)
- 8th May, 2014 (Annual Meeting) (2:00 p.m.)
- 29th July, 2014 (Extraordinary)

### 2. DECLARATION OF INTEREST

No declaration of interest was made.

### 3. TO RECEIVE ANY ANNOUNCEMENTS FROM THE CHAIRPERSON, LEADER OF THE COUNCIL OR THE CHIEF EXECUTIVE.

The Chair made the following announcements:

- Representatives of the Information Commissioner's Office will be visiting the Council Offices during the week commencing 13 October.
- A public consultation exercise is being conducted by Horizon until the 8th December, 2014 on its plans for the Wylfa Newydd project.

- Congratulations are due to all those who were successful in competitions at the Royal Welsh Show (July), the National Eisteddfod (August) and the Anglesey Show (August). Specific mention is made of Councillor Llinos M. Huws whose family was successful in the category for best milking cows in show at the Anglesey Show.
- Congratulations are due to all those secondary school pupils who were successful in their Summer examinations and to those of the Council's staff who succeeded in their professional examinations.
- Congratulations to Iolo Hughes, Llanfechell, a pupil at Ysgol Syr Thomas Jones, Amlwch who is the under 20s Britain and Northern Ireland champion mountain runner, and to all members of the successful Welsh Commonwealth Games Team who set a record for medals won by a Welsh team at the Glasgow Games during the summer.
- Congratulations to Councillor Jim Evans and Mrs Evans on celebrating their Golden Wedding Anniversary.
- Congratulations to Councillor Richard Owain Jones who has hitherto raised £12k in aid of local good causes by cycling from Amlwch to Cardiff.
- That 2014 marks the centenary of the commencement of the First World War.

Councillor Aled Morris Jones in his capacity as the Armed Forces Champion paid tribute to those who had fought and had made sacrifices during the conflict with specific mention to individuals from the Isle of Anglesey and from Wales who had distinguished themselves during the period of the Great War. He also referred to the contribution made by a number of community councils towards the Memorial at Ypres in Belgium to those from Wales who fell during the First World War.

- The Chair announced that a special service is to be held in Holyhead on 15th October to commemorate the link between the town and the Netherlands.

#### **4. QUESTIONS RECEIVED PURSUANT TO RULE 4.1.12.4 OF THE CONSTITUTION**

None received.

#### **5. PRESENTATION OF PETITIONS**

None received.

#### **6. ANNUAL PERFORMANCE REPORT 2013-14**

6.1 It was reported that the Executive upon consideration of the above at its meeting held on 8th September, 2014 had resolved as follows:

*To delegate to the Deputy Chief Executive, in consultation with the Portfolio Holder for Corporate Performance, to complete and publish the full plan for submission to the full Council in October.*

6.2 The report of the Deputy Chief Executive incorporating the Isle of Anglesey County Council's Performance Report for 2013-14 was presented for consideration.

The Chief Executive gave a visual presentation in which he highlighted the principal conclusions from the analysis of the Council's performance during 2013/14 against a suite of national indicators and against the promises made in the first year of the Council's four year Corporate Plan 2013-17. He referred to the three main service areas which formed the focus of improvement during the period in relation to Education, Children and Adults' Services and summarised how those had performed. Overall, the Authority's standing at 10 out of the 22 authorities in Wales at the end of 2013/14 represents an improvement on its position during the previous two years and indicates both that the performance of the Isle of Anglesey County Council is on an upwards trajectory and that it is able to satisfy one of the Welsh Government's prime objectives for local authorities in Wales in being able to demonstrate continuous improvement. The challenge is to maintain the momentum and to accelerate the pace of improvement.

The Portfolio Holder for Corporate Performance drew attention to the extent of the work behind the report. Members of the Council spoke to the report and whilst acknowledging the improvements made across a range of service areas, they also recognised that further work is required to continue to address areas identified as underperforming in order to maintain the improvement trend.

**It was resolved to accept and approve the Annual Performance Report for 2013/14 for publication by the 31 October statutory deadline.**

## **7. ANNUAL TREASURY MANAGEMENT REVIEW 2013-14**

7.1 It was reported that the Executive upon consideration of the above meeting at its meeting on 8th September, 2014 had resolved "to accept the report."

7.2 The report of the Head of Function (Resources) and Interim Section 151 Officer incorporating the Annual Treasury Management Review for 2013/14 was presented.

**It was resolved to endorse the recommendation of the Executive and to accept the Annual Treasury Management Review for 2013/14.**

## **8. CONSTITUTIONAL CHANGES - COUNCIL PROCEDURE RULES AND THE APPOINTMENT OF THE CHAIR OF THE DEMOCRATIC SERVICES COMMITTEE**

8.1 To report that the Executive upon consideration of the above at its meeting held on 8th September, 2014 had resolved as follows:

*To recommend to the full Council that the Council approves the changes to the Constitution as outlined in the report.*

8.2 The report of the Head of Function (Council Business) / Monitoring Officer with regard to the above was presented.

Councillor Meirion Jones proposed an amendment, which was agreed, to the wording of Council Procedure Rule 4.1.2.7 (i) to read "receive and confirm the list of

appointments to outside bodies who do not have to be Members of the Executive in accordance with section 5.8.4.2.” The Head of Function (Council Business) confirmed that she was happy with the amendment and supported it. Councillor Meirion Jones also suggested that navigating the Council’s Constitution on-line would be made easier by providing a link to individual sections.

**It was resolved to endorse the recommendation of the Executive with the agreed amendment to Procedure Rule 4.1.2.7. (i)**

## **9. CONSTITUTIONAL CHANGES - THE FORWARD WORK PROGRAMME**

9.1 It was reported that the Executive upon consideration of the above at its meeting held on 19th May, 2014 had resolved as follows:

*To recommend to the County Council –*

- *That the proposed amendments to Part 4.2.12 of the Constitution as detailed in the appendix to the report be approved, and*
- *The Monitor Officer be authorised to update the Constitution accordingly.*

9.2 The report of the Interim Head of Democratic Services with regard to the above was presented.

**It was resolved to endorse the recommendations of the Executive in this respect.**

## **10. CONSTITUTIONAL CHANGES - FAMILY ABSENCE REGULATIONS**

10.1 To report that the Executive upon consideration of the above at its meeting held on 14th July, 2014 had resolved as follows:

*To recommend to the County Council that:*

- *It approves the changes to the Council’s Constitution as detailed in Appendix 1 to the report.*
- *A Democratic Services Sub-Committee be established for the purpose of hearing appeals under the Regulations.*
- *When a Member is taking family absence under the Regulations, and is paid a senior salary, this senior salary shall be discontinued during any period of family absence which exceeds two weeks. Pursuant to the Regulations, Members are still eligible to retain their basic allowance. A substitute may be appointed to cover for the Member on family absence provided that the period of absence is for longer than two weeks and that the substitute shall be entitled to receive a senior salary where appropriate.*
- *The Chief Executive shall have delegated authority from the Council to cancel or end a period of family absence which is not covered by the Regulations.*

10.2 The report of the Head of Function (Council Business) with regard to the above was presented.

**It was resolved to endorse the recommendations of the Executive in this respect.**

## **11. CONSTITUTIONAL CHANGES - REMOTE ATTENDANCE**

11.1 To report that the Executive upon consideration of the above at its meeting held on 14th July, 2014 had resolved as follows:

*To recommend to the County Council that:*

- *That it notes the report and the discretion provided in Section 4 of the Local Government (Wales) Measure 2011.*
- *It rejects the use of remote attendance at this stage.*

11.2 The report of the Head of Function (Council Business) / Monitoring Officer with regard to the above was presented.

Councillor Ann Griffith referred to the need to encourage more people including individuals of working age, to become involved in the democratic process in order to promote and ensure a healthy and diverse democracy. The introduction of remote attendance facilities would assist in that endeavour. She said that she deemed it important that the Council supports this initiative in principle in order to better enable individuals whatever their circumstances, to participate in local democracy.

The Leader of the Council said that whilst he too supported remote attendance in principle, the report refers to the technical and resource implications of introducing this facility at this point in time. It is an issue that can be revisited as the requirements and the ability to meet them are clarified.

**It was resolved to endorse the recommendations of the Executive in this respect.**

## **12. CONSTITUTIONAL CHANGES - POLICY FRAMEWORK RULES**

12.1 To report that the Executive upon consideration of the above at its meeting held on 8th September, 2014, had resolved as follows:

*“To recommend to the full Council that the Council approves the changes to the Constitution as outlined within the report.”*

12.2 The report of the Head of Function (Council Business) / Monitoring Officer with regard to the above was presented.

**It was resolved to endorse the recommendation of the Executive in this respect.**

### **13. CONSTITUTIONAL CHANGES - STANDING ORDERS**

13.1 To report that the Executive upon consideration of the above at its meeting held on 8th September, 2014, had resolved as follows:

*To recommend to the full Council:-*

- *That it notes the contents of the new Local Authority (Standing Orders) (Amendment) (Wales) Regulations 2014 (“the 2014 Regulations”)*
- *That it instructs the Monitoring Officer to amend the Constitution to reflect the changes required to bring the Constitution in line with 2014 Regulations as detailed in this report. The 2014 Regulations make changes to the existing Local Authorities (Standing Orders) (Wales) Regulations 2006 (“the 2006 Regulations”) as a result of changes introduced by the Local Government (Wales) Measure 2011.*

13.2 The report of the Head of Function (Council Business) / Monitoring Officer with regard to the above was presented.

**It was resolved to endorse the recommendations of the Executive in this respect.**

### **14. TIMING OF COUNCIL MEETINGS**

14.1 It was reported that the Democratic Services Committee upon consideration of the above at its meeting held on 18th June, 2014 had resolved as follows:

*“To recommend to the Council that the Interim Head of Democratic Services prepare proposals from 2015 onwards including options to hold meetings on specific days of the week, and that a representative for each Group assist in this process.”*

14.2 The report of the Interim Head of Democratic Services with regard to the above was presented.

**It was resolved to endorse the recommendation of the Democratic Services Committee in this respect.**

**COUNCILLOR VAUGHAN HUGHES  
CHAIR**

# DDIM I'W GYHOEDDI NOT FOR PUBLICATION

***Ymateb CSYM i Gam Cyntaf Ymgynghoriad Horizon Nuclear Power cyn Cyflwyno Cais Cynllunio (PAC 1)***  
***IACC's Response to Horizon Nuclear Power's First Stage Pre-Application Consultation (PAC 1)***

## PRAWF BUDD Y CYHOEDD PUBLIC INTEREST TEST

Paragraff(au) <i>Paragraph(s)</i>	14 14	Atodlen 12A Deddf Llywodraeth Leol 1972 <i>Schedule 12A Local Government Act 1972</i>
<b>Y PRAWF – THE TEST</b>		
<p>Mae yna fudd i'r cyhoedd wrth ddatgan oherwydd / <i>There is a public interest in disclosure as:-</i></p> <p>Tryloywder o ran prosesau gwneud penderfyniad y Cyngor.</p> <p>Transparency in the Council's decision making processes.</p>		<p>Y budd i'r cyhoedd with beidio datgelu yw / <i>The public interest in not disclosing is:-</i></p> <p>Mae'r adroddiad yn cynnwys ymateb arfaethedig y Cyngor i'r ymgynghoriad ar y cais datblygu mwyaf sylweddol ar Ynys Môn am genhedlaeth.</p> <p>Nid yw'r Aelodau wedi cael cyfle hyd yn hyn i ystyried yr ymateb drafft, a byddai ei ddatgelu yn awr yn:</p> <ul style="list-style-type: none"> <li>- Rhagfarnu ein gallu i gynnal materion cyhoeddus mewn ffordd effeithiol;</li> <li>- Yn datgelu cyfathrebiadau mewnol rhwng swyddogion ac aelodau;</li> <li>- Yn datgelu dogfennau drafft sydd i'w datgelu yn fuan yn eu ffurf derfynol.</li> </ul> <p>Mae budd i'r cyhoedd o ganiatáu i'r Cyngor yr amser i feddwl ac ymarfer ei brosesau democrataidd cyn datgelu fersiwn derfynol yr adroddiad.</p> <p>Pe câi adroddiad drafft ei ddatgelu fe all ragfarnu'r broses o gyfnewid safbwyntiau'n rhydd a didwyll rhwng aelodau ac / neu swyddogion ar y cynigion datblygu.</p> <p>Mae ffurfio ymateb yn broses sy'n parhau ac nad ydyw hyd yn hyn wedi'i chwblhau.</p> <p><i>The report contains the Council's proposed consultation response on the most significant</i></p>

	<p><i>development proposal on Anglesey for a generation.</i></p> <p><i>Members have not yet had a chance to consider the draft response, and to disclose it now would be to:</i></p> <ul style="list-style-type: none"> <li><i>- prejudice the effective conduct of public affairs;</i></li> <li><i>- disclose internal communications between officers and members;</i></li> <li><i>- disclose draft documents which are to be disclosed in final form imminently.</i></li> </ul> <p><i>There is public interest in allowing the Council the thinking time to exercise its democratic processes prior to disclosing the final version of the report.</i></p> <p><i>If the draft report is disclosed, it may inhibit the free and frank exchange of views between members and / or officers on the development proposal.</i></p> <p><i>The formulation of the response is an ongoing process which is not yet complete.</i></p>
<p><b>Argymhelliad:</b> Mae'r budd cyhoeddus o gadw'r eithriad yn gorbwysu'r budd cyhoeddus o ddatgelu'r wybodaeth.</p> <p><i>Recommendation: The public interest in maintaining the exemption outweighs the public interest in disclosing the information.</i></p>	



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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to</b>	<b>County Council</b>
<b>Date</b>	<b>4 December 2014</b>
<b>Subject</b>	<b>Anglesey and Gwynedd Joint Local Development Plan – Revised Timetable</b>
<b>Portfolio Holder(s)</b>	<b>Councillor J Arwel Roberts</b>
<b>Lead Officer(s)</b>	<b>Jim Woodcock, Head of Planning and Public Protection Services</b>
<b>Report Author:</b> Tel: E-mail:	<b>Nia Davies, Planning Manager (Policy)</b> <b>01286 679890</b> <a href="mailto:niahafdavies@gwynedd.gov.uk">niahafdavies@gwynedd.gov.uk</a>
<b>Local Members:</b>	<b>A series of seminars for Members have been held since the start of the Plan preparation process. The last session set out the revised timetable.</b>

<b>A –Recommendation/s and reason/s</b>
<p><b>Recommendation</b></p> <p>That the Council approves the revised timetable (set out in <b>Appendix 1</b>) to prepare the Joint Local Development Plan in order to reflect new circumstances and conform to statutory requirements, which includes presenting the revised timetable to the Welsh Government.</p> <p>(A similar report is also being reported to Gwynedd Council on the 4<sup>th</sup> December 2014).</p> <p><b>Reason</b></p> <ol style="list-style-type: none"> <li>1. The Isle of Anglesey County Council and Gwynedd Council are working together to prepare a Joint Local Development Plan for Anglesey and the Gwynedd Local Planning Authority area.</li> <li>2. Members will recall that a Delivery Agreement sets out how and when the Councils will prepare the Joint Local Development Plan. The current Delivery Agreement was approved by both Councils by the end of December 2013 and</li> </ol>

## AGENDA ITEM

then supported by the Welsh Government in January 2014. Due to a number of reasons, beyond the control of the Joint Planning Policy Unit, more time was required to prepare the Deposit Plan. The reasons for the delay and a revised timetable were set out in a report to the Joint Planning Policy Committee in September 2014. The following provides a link to the report [http://www.gwynedd.gov.uk/gwy\\_pwyllgorau.asp?cat=8496&doc=31593&Language=1](http://www.gwynedd.gov.uk/gwy_pwyllgorau.asp?cat=8496&doc=31593&Language=1). The Joint Planning Policy Committee recommended that steps be taken to gain both Council's approval of the revised timetable now set out in **Appendix 1**. The Council's Executive considered the revised timetable in its meeting on the 1<sup>st</sup> December 2014

3. When the Councils approve the revised timetable the Delivery Agreement will be amended accordingly and sent on to the Welsh Government's support. The revised Delivery Agreement and the Welsh Government's letter will be made available to view in the Councils' offices and on each Council's website.

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

Not applicable

**C – Why is this a decision for the Council?**

The Local Development Plan Regulations require the Council's resolution to a timetable to prepare a local development plan prior to submission to the Welsh Government for its support.

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

Yes

**DD – Is this decision within the budget approved by the Council?**

Yes, the work to prepare the Joint Local Development Plan is included in the Joint Planning Policy Unit's expenditure profile in order to conform to statutory requirements.

**E – Who did you consult?**

**What did they say?**

<b>1</b>	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	
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## AGENDA ITEM

2	<b>Finance / Section 151</b> (mandatory)	Finance are happy for this report to proceed
3	<b>Legal / Monitoring Officer</b> (mandatory)	
5	<b>Human Resources (HR)</b>	
6	<b>Property</b>	
7	<b>Information Communication Technology (ICT)</b>	
8	<b>Scrutiny</b>	
9	<b>Local Members</b>	
10	<b>Any external bodies / other/s</b>	

### F – Risks and any mitigation (if relevant)

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

### Appendices:

Appendix 1: Revised timetable to prepare the Joint Local Development Plan

### Background papers

- (i) Anglesey and Gwynedd Joint Local Development Plan Delivery Agreement (2014)
- (ii) Report to the Joint Planning Policy Committee 26/9/14
- (iii) Report to the Executive 1/12/14

## AGENDA ITEM

### APPENDIX 1 Revised timetable to prepare the Joint Local Development Plan

Stage in the preparation process		Current Timetable	Revised timetable
1.	Preparation and publication of the final Delivery Agreement ( <i>Regulation 5 - 10</i> )	January to November 2011	January to November 2011
2.	Review and develop the evidence base	July 2010 - October 2012	January 2011 - October 2012
3.	Participation Pre-deposit – prepare the pre-deposit documents that will outline the key objectives and preferred strategy ( <i>Regulation 14</i> ). This will not be a full draft of the Joint LDP	January 2011 - October 2012	January 2011 - October 2012
4.	Pre-Deposit Consultation - 6 week period ( <i>Regulation 15</i> ). Formal consultation on the pre-deposit documents and the sustainability appraisal report	May - June 2013	May - June 2013
5.	Participation - further develop the evidence base and prepare the Deposit Joint LDP (full draft plan) which is based on the evidence base, including the response to the pre-deposit documents	July 2013 - March 2014	July 2013 – <b>December 2014</b>
6.	Placing the Joint LDP and associated documents on deposit - 6 week consultation	May - June 2014	<b>February 2015 – March 2015</b>

## AGENDA ITEM

	period ( <i>Regulation 17</i> )		
	Indicative timetable		
7.	Consideration of comments about the Deposit Joint LDP ( <i>Regulations 18 &amp; 19</i> )	July 2014 - January 2015	<b>April 2015 – November 2015</b>
8.	Publish comments on alternative sites, consulting upon them - a period of 6 weeks ( <i>Regulations 20 &amp; 21</i> )	September - October 2014	<b>June – July 2015</b>
9.	Submitting the Joint LDP to the Welsh Government for Examination ( <i>Regulation 22</i> )	February 2015	<b>December 2015</b>
10.	Independent Public Examination ( <i>Regulation 23</i> )	June 2015	<b>April 2016</b>
11.	Publication of the Inspector's Report ( <i>Regulation 24</i> )	March 2016	<b>October 2016</b>
12.	Adoption of the Joint LDP ( <i>Regulation 25</i> )	May 2016	<b>December 2016</b>
13.	Monitoring and Reviewing	Annual report	Annual report

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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>REPORT TO:</b>	<b>EXECUTIVE COMMITTEE &amp; COUNTY COUNCIL</b>
<b>DATE:</b>	<b>1 DECEMBER 2014 &amp; 4 DECEMBER 2014</b>
<b>SUBJECT:</b>	<b>TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY: MID-YEAR REVIEW REPORT 2014/15</b>
<b>PORTFOLIO HOLDER(S):</b>	<b>COUNCILLOR H E JONES</b>
<b>HEAD OF SERVICE:</b>	<b>RICHARD MICKLEWRIGHT (EXT. 2601)</b>
<b>REPORT AUTHOR:</b>	<b>GARETH ROBERTS</b>
<b>TEL:</b>	<b>01248 752675</b>
<b>E-MAIL:</b>	<b>GarethJRoberts@anglesey.gov.uk</b>
<b>LOCAL MEMBERS:</b>	<b>n/a</b>

<b>A - Recommendation/s and reason/s</b>		
<ul style="list-style-type: none"> <li>To consider the content of the report and to pass the report onto the next meeting of the County Council together with any comments.</li> <li>To review the report to be consistent with professional guidance and to comply with the recommendations of the CIPFA Code of Practice on Treasury Management.</li> <li>The Audit Committee scrutinised this report on the 7th November 2014 and passed for review to this Committee with no further comments.</li> </ul>		
<b>B - What other options did you consider and why did you reject them and/or opt for this option?</b>		
n/a		
<b>C - Why is this decision for the Executive?</b>		
To comply with the scheme of delegation, as set out in the Treasury Management Strategy Statement 2014/15, that was approved by this Council on 27 February 2014.		
<b>CH - Is this decision consistent with policy approved by the full Council?</b>		
Yes		
<b>D - Is this decision within the budget approved by the Council?</b>		
n/a		
<b>DD - Who did you consult? What did they say?</b>		
<b>1</b>	<b>Chief Executive / Strategic Leadership Team (SLT) (mandatory)</b>	No issues raised
<b>2</b>	<b>Finance / Section 151 (mandatory)</b>	n/a – this is the Section 151 Officer's report
<b>3</b>	<b>Legal / Monitoring Officer (mandatory)</b>	No issues raised
<b>4</b>	<b>Human Resources (HR)</b>	
<b>5</b>	<b>Property</b>	
<b>6</b>	<b>Information Communication Technology (ICT)</b>	
<b>7</b>	<b>Scrutiny</b>	
<b>8</b>	<b>Local Members</b>	
<b>9</b>	<b>Any external bodies / other/s</b>	
<b>E - Risks and any mitigation (if relevant)</b>		
<b>1</b>	<b>Economic</b>	
<b>2</b>	<b>Anti-poverty</b>	
<b>3</b>	<b>Crime and Disorder</b>	
<b>4</b>	<b>Environmental</b>	
<b>5</b>	<b>Equalities</b>	
<b>6</b>	<b>Outcome Agreements</b>	
<b>7</b>	<b>Other</b>	

**F - Appendices:**

- Appendix 1 - Treasury Management Mid-Year Review Report 2014/15
- Appendix 2 - Economic performance to date and outlook
- Appendix 3 - Commentary on the latest interest rates forecasts
- Appendix 4 - Borrowing and Investment Summary – Quarters 1 and 2 2014/15
- Appendix 5 - Credit ratings of investment counterparties and deposits held with each as at 30 September 2014
- Appendix 6 - Equivalent Credit Ratings (Fitch, Moodys, S&P)

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

- Treasury Management Strategy Statement (TMSS) for 2014/15 that was approved by this Council on 27 February 2014.
- Treasury Management Report – First Quarter 2014/15

## 1. Background

1.1 Two of the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2011) are the receipt by the full council of a mid-year review report on treasury management activity and the delegation of the role of scrutiny of treasury management strategy and policies. This report will fulfill those requirements and covers the following:

- An economic update for the first six months, and looking forward to the second half, of 2014/15;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure (prudential indicators);
- A review of the Council's investment portfolio for 2014/15;
- A review of the Council's borrowing strategy for 2014/15;
- A review of any debt rescheduling undertaken during 2014/15;
- A summary of activity since quarter 2;
- A look ahead to next year; and
- A review of compliance with Treasury and Prudential Limits for 2014/15

## 2. Economic Update

2.1 The Council's treasury advisers provided a summary of the economic performance to date and outlook shortly after the end of the first quarter, and can be found in Appendix 2. They have also recently provided the following forecast:

	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015	Mar 2016	Jun 2016
Bank Rate (%)	0.50	0.50	0.75	0.75	1.00	1.00	1.25
5yr PWLB rate (%)	2.50	2.70	2.70	2.80	2.90	3.00	3.10
10yr PWLB rate (%)	3.20	3.40	3.50	3.60	3.70	3.80	3.90
25yr PWLB rate (%)	3.90	4.00	4.10	4.30	4.40	4.50	4.60
50yr PWLB rate (%)	3.90	4.00	4.10	4.30	4.40	4.50	4.60

2.2 The Council's treasury advisers recently provided a commentary alongside the interest rate forecast above. This commentary can be found in Appendix 3.

## 3. Treasury Management Strategy Statement and Annual Investment Strategy Update

3.1 The Treasury Management Strategy Statement (TMSS) for 2014/15 was approved by this Council on 27 February 2014. There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position.

## 4. The Council's Capital Position (Prudential Indicators)

4.1 This part of the report is structured to update:-

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.
- HRA Reform

### 4.2 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure and the changes since

the capital programme was agreed at the Budget.

Capital Expenditure	2014/15 Original Estimate £m	Position as at 30 September 2014 £m	2014/15 Current Estimate £m
Council Fund	18,100	4,701	15,010
HRA	5,700	1,569	6,000
Total	23,800	6,270	21,010

4.2.1 The current estimate for capital expenditure is behind the original estimate mainly due to the exclusion of contingency items no longer being part of the capital strategy.

### 4.3 Changes to the Financing of the Capital Programme

4.3.1 There are no significant changes to the financing of the capital programme to report at this stage.

### 4.4 Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

4.4.1 The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period. This is termed the Operational Boundary.

#### 4.4.2 Prudential Indicator – Capital Financing Requirement

4.4.2.1 We are projected to be marginally ahead of the original forecast capital financing requirement.

4.4.2.2 The Borrowing figure for the External Debt/the Operational Boundary is based on the assumption that we continue to internalize our borrowing.

#### 4.4.3 Prudential Indicator – External Debt/the Operational Boundary

	2014/15 Original Estimate £m	2014/15 Revised Estimate £m
<b>Prudential Indicator – Capital Financing Requirement</b>		
CFR – Council Fund	92,400	83,226
CFR – HRA	23,000	24,723
Total CFR	115,400	107,949
Net movement in CFR	5,057	1,534
<b>Prudential Indicator – External Debt/the Operational Boundary</b>		
Borrowing	120,000	89,583
Other long term liabilities	2,000	Nil
Total debt 31 March	122,000	89,583

### 4.5 Limits to Borrowing Activity

4.5.1 The first key control over the treasury activity is a prudential indicator to ensure that, over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2014/15 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	2014/15 Original Estimate £m	Position as at 30 September 2014 £m
Gross borrowing	115,400	89,587
Plus other long term liabilities	Nil	Nil
Gross borrowing	115,400	89,587
CFR (year end position)	115,400	n/a

**4.5.2** By the end of the year the CFR is projected to be £108m, and there is a borrowing requirement of £18m as a result. The treasury management strategy statement (Section 3.4.1) states that a flexible approach will be adopted with regards to the choice between internal and external borrowing. This has been, and will continue to be, the case, with consideration to all the factors listed in that section. The decision to continue to internalize has been driven mainly due to 2 factors: (1) To limit the Authority's exposure to credit risk (2) to limit the cost of carry. These are set against the backdrop of PWLB and investment rates continuing to remain at historically low levels with only a steady increase forecast into the medium term. This current stance is in line with many other local authorities that have been asked in seminars and workshops attended by officers within the finance service. The appointed treasury advisors have also supported the decision to continue to internalize borrowing at this time. External borrowing at year end is therefore, expected to be £89.583m. Any changes to the current approach will be reported as appropriate.

**4.5.3** It is not envisaged that there will be any difficulties for the current year in complying with this prudential indicator.

**4.5.4** A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised limit for external debt	2014/15 Original Indicator (£m)	Position as at 30 September 2014 (£m)
Borrowing	125,000	89,587
Other long term liabilities	2,000	Nil
Total	127,000	89,587

## 4.6 HRA Reform

**4.6.1** The proposed reform of the HRA subsidy arrangements is expected to take place on 31<sup>st</sup> March 2015. This will involve the Council paying funds to the Welsh Government which will remove the Council from the HRA subsidy system. The estimated payment is £23.9m. This will impact on the capital structure of the Council, (as the HRA Capital Financing Requirement will rise by the size of the Welsh Government payment), and the treasury management service will need to consider the funding implications for borrowing

## 5. Investment Portfolio 2014/15

**5.1** In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As set out in Section 2, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.5% Bank Rate. Indeed, the Funding for Lending scheme has reduced market investment rates even further. The potential for a prolonging of the Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment, investment returns are likely to remain low.

- 5.2** The Council held £18.6m of investments as at 30 September 2014 (£9.2m at 31 March 2014) and the investment portfolio yield for the first six months of the year was 0.39%. A full list of investments as at 30<sup>th</sup> September 2014 can be found in Appendix 5. A summary of the investments and rates can be found in Appendix 4.
- 5.3** The approved limits within the Annual Investment Strategy were not breached during the first six months of 2014/15.
- 5.4** The Council's budgeted investment return for 2014/15 is £0.3m. As indicated in the strategy, some borrowing has been internalised and so, during the year, the projected investment returns are below those budgeted for. However, there have been corresponding savings on loan interest and the forecast net outturn is within budget.

**5.5 Investment Counterparty criteria**

- 5.5.1** The current investment counterparty criteria selection approved in the TMSS is meeting the requirements of the treasury management function, although it is continuing to be challenging to place funds as the credit quality of counterparties continues at a reduced level.

**6. Borrowing**

- 6.1** The projected capital financing requirement (CFR) for 2014/15 is £1.5m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive, the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The Council has projected year end borrowings of £89.6m and will have used £18m of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate but will require ongoing monitoring in the event that upside risk to gilt yields prevails.

- 6.2** A summary of investments held can be found in Appendix 4.

**7. Debt Rescheduling**

- 7.1** No debt rescheduling was undertaken during the first six months of 2014/15.

**8. Activity Since Quarter Two**

- 8.1** There has been no change since Quarter 2

**9. Plans for next year**

- 9.1** At its next meeting in February, this Committee will consider the plans for borrowing and investment for the next financial year. The initial plans, according to the current strategy are:

- to use the available general supported borrowing allocation of £2.189m (£2.193m in 2014/15) plus any unused allocation brought forward from this year;
- to borrow, on an unsupported basis, to fund capital investment priorities, linking in to the transformation objectives.

**Perfformiad Economaidd hyd yma a'r rhagolygiad/ Economic performance to date and outlook****1.1 U.K.**

After strong UK GDP quarterly growth of 0.7%, 0.8% and 0.7% in quarters 2, 3 and 4 respectively in 2013, (2013 annual rate 2.7%), and 0.7% in Q1, 0.9% in Q2 and a first estimate of 0.7% in Q3 2014 (annual rate 3.1% in Q3), it appears very likely that strong growth will continue through 2014 and into 2015 as forward surveys for the services and construction sectors, are very encouraging and business investment is also strongly recovering. The manufacturing sector has also been encouraging though the latest figures indicate a weakening in the future trend rate of growth. However, for this recovery to become more balanced and sustainable in the longer term, the recovery needs to move away from dependence on consumer expenditure and the housing market to exporting, and particularly of manufactured goods, both of which need to substantially improve on their recent lacklustre performance. This overall strong growth has resulted in unemployment falling much faster through the initial threshold of 7%, set by the Monetary Policy Committee (MPC) last August, before it said it would consider any increases in Bank Rate. The MPC has, therefore, subsequently broadened its forward guidance by adopting five qualitative principles and looking at a much wider range of about eighteen indicators in order to form a view on how much slack there is in the economy and how quickly slack is being used up. The MPC is particularly concerned that the current squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back above the level of inflation in order to ensure that the recovery will be sustainable. There also needs to be a major improvement in labour productivity, which has languished at dismal levels since 2008, to support increases in pay rates. Most economic forecasters are expecting growth to peak in 2014 and then to ease off a little, though still remaining strong, in 2015 and 2016. Unemployment is therefore expected to keep on its downward trend and this is likely to eventually feed through into a return to significant increases in pay rates at some point during the next three years. However, just how much those future increases in pay rates will counteract the depressive effect of increases in Bank Rate on consumer confidence, the rate of growth in consumer expenditure and the buoyancy of the housing market, are areas that will need to be kept under regular review.

Also encouraging has been the sharp fall in inflation (CPI), reaching 1.2% in September, the lowest rate since 2009. Forward indications are that inflation is likely to fall further in 2014 to possibly 1%. Overall, markets are expecting that the MPC will be cautious in raising Bank Rate as it will want to protect heavily indebted consumers from too early an increase in Bank Rate at a time when inflationary pressures are also weak. A first increase in Bank Rate is therefore expected in Q2 2015 and they expect increases after that to be at a slow pace to lower levels than prevailed before 2008 as increases in Bank Rate will have a much bigger effect on heavily indebted consumers than they did before 2008.

The return to strong growth has also helped lower forecasts for the increase in Government debt by £73bn over the next five years, as announced in the 2013 Autumn Statement, and by an additional £24bn, as announced in the March 2014 Budget - which also forecast a return to a significant budget surplus, (of £5bn), in 2018-19. However, monthly public sector deficit figures have disappointed so far in 2014/15.

**1.2 U.S.**

In September, the Federal Reserve continued with its monthly \$10bn reductions in asset purchases, which started in December 2013. Asset purchases have now fallen from \$85bn to \$15bn and are expected to stop on 29th October 2014, providing the economic outlook remains strong. First quarter GDP figures for the US were depressed by exceptionally bad winter weather, but growth rebounded very strongly in Q2 to 4.6% (annualised).

The U.S. faces similar debt problems to those of the UK, but thanks to reasonable growth, cuts in government expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do too much damage to growth, although the weak labour force participation rate remains a matter of key concern for the Federal Reserve when considering the amount of slack in the economy and monetary policy decisions.

### **1.3 Eurozone**

The Eurozone is facing an increasing threat from weak or negative growth and from deflation. In September, the inflation rate fell further, to reach a low of 0.3%. However, this is an average for all EZ countries and includes some countries with negative rates of inflation. Accordingly, the ECB took some rather limited action in June to loosen monetary policy in order to promote growth. In September it took further action to cut its benchmark rate to only 0.05%, its deposit rate to -0.2% and to start a programme of purchases of corporate debt. However, it has not embarked yet on full quantitative easing (purchase of sovereign debt).

Concern in financial markets for the Eurozone subsided considerably during 2013. However, sovereign debt difficulties have not gone away and major issues could return in respect of any countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy, (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise for some countries. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed.

### **1.4 China and Japan**

Japan is causing considerable concern as the increase in sales tax in April has suppressed consumer expenditure and growth. In Q2 growth was -1.8% q/q and -7.1% over the previous year. The Government is hoping that this is a temporary blip.

As for China, Government action in 2014 to stimulate the economy appeared to be putting the target of 7.5% growth within achievable reach but recent data has raised fresh concerns. There are also major concerns as to the creditworthiness of much bank lending to corporates and local government during the post 2008 credit expansion period and whether the bursting of a bubble in housing prices is drawing nearer.



**Sylwadau ar y rhagolygon diweddaraf ar raddfeydd llog/Commentary on the latest interest rates forecasts**

The Council's treasury advisers undertook a review of its interest rate forecasts on 24 October. During September and October, a further rise in geopolitical concerns, principally over Ukraine but also over the Middle East, plus fears around Ebola and an accumulation of dismal growth news in most of the ten largest economies of the world and also on the growing risk of deflation in the Eurozone, had sparked a flight from equities into safe havens like gilts and depressed PWLB rates. However, there is much volatility in rates as news ebbs and flows in negative or positive ways. This latest forecast includes a first increase in Bank Rate in quarter 2 of 2015.

Our PWLB forecasts are based around a balance of risks. However, there are potential upside risks, especially for longer term PWLB rates, as follows: -

- A further surge in investor confidence that robust world economic growth is firmly expected, causing a flow of funds out of bonds and into equities.
- UK inflation being significantly higher than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

Downside risks currently include:-

- The situation over Ukraine poses a major threat to EZ and world growth if it was to deteriorate into economic warfare between the West and Russia where Russia resorted to using its control over gas supplies to Europe.
- Fears generated by the potential impact of Ebola around the world
- UK strong economic growth is currently mainly dependent on consumer spending and the potentially unsustainable boom in the housing market. The boost from these sources is likely to fade after 2014.
- A weak rebalancing of UK growth to exporting and business investment causing a weakening of overall economic growth beyond 2014.
- Weak growth or recession in the UK's main trading partner - the EU, inhibiting economic recovery in the UK.
- A return to weak economic growth in the US, UK and China causing major disappointment in investor and market expectations.
- A resurgence of the Eurozone sovereign debt crisis caused by ongoing deterioration in government debt to GDP ratios to the point where financial markets lose confidence in the financial viability of one or more countries and in the ability of the ECB and Eurozone governments to deal with the potential size of the crisis.
- Recapitalisation of European banks requiring more government financial support.
- Lack of support by populaces in Eurozone countries for austerity programmes, especially in countries with very high unemployment rates e.g. Greece and Spain, which face huge challenges in engineering economic growth to correct their budget deficits on a sustainable basis.
- Italy: the political situation has improved but it remains to be seen whether the new government is able to deliver the austerity programme required and a programme of overdue reforms. Italy has the third highest government debt mountain in the world.
- France: after being elected on an anti austerity platform, President Hollande has embraced a €50bn programme of public sector cuts over the next three years. However, there could be major obstacles in implementing this programme. Major overdue reforms of employment practices and an increase in competitiveness are also urgently required to lift the economy out of stagnation.
- Monetary policy action failing to stimulate sustainable growth in western economies, especially the Eurozone and Japan.
- Heightened political risks in the Middle East and East Asia could trigger safe haven flows back into bonds.

There are also increasing concerns at the reluctance of western central banks to raise interest rates significantly for some years, plus the huge QE measures which remain in place (and may be added to by the ECB in the near future). This has created potentially unstable flows of liquidity searching for yield and, therefore, heightened the potential for an increase in risks in order to get higher returns. This is a return to a similar environment to the one which led to the 2008 financial crisis.

**Crynodeb Benthycyca a Buddsoddi – Chwarteroedd 1 a 2 2014/15**  
**Borrowing and Investment Summary – Quarters 1 and 2 2014/15**

	30 Medi / Sept 2014		30 Mehefin / June 2014	
	£m	%	£m	%
Benthycyca – graddfa sefydlog Borrowing – fixed rate	89.6	5.72	89.6	5.72
Benthycyca – graddfa amrywiol Borrowing – variable rate	Dim / Nil	d/b / n/a	Dim / Nil	d/b / n/a
Adneuon – galw hyd at 30 diwrnod Deposits – Call to 30 days	18.6	0.39	19.1	0.40
Adneuon – Tymor sefydlog < 1 bl. Deposits – Fixed Term < 1 year	0.0	nil	0.0	nil
Adneuon – Tymor sefydlog 1 bl. + Deposits – Fixed Term 1 year +	Dim / Nil	d/b / n/a	Dim / Nil	d/b / n/a
Cyfanswm Adneuon Total Deposits	18.6	0.39	19.1	0.40
Cyfartaledd Adneuon yn y Chwarter Average Deposits in the Quarter	21.2	0.43	20.3	0.50

Ni torwyd unrhyw un o'r dangosyddion trysorlys yn ystod hanner cyntaf y flwyddyn.  
None of the treasury indicators were breached during the first half of the year.

**Graddfeydd Credyd Gwrthbartion buddsoddi a'r adneuron a ddelir gyda phob un ar 30 Medi 2014\***  
**Credit ratings of investment counterparties and deposits held with each as at 30 September 2014\***

Grŵp Bancio/ Banking Group	Sefydliad/ Institution	Adneuron / Deposit £'000	Hyd (Galw tymor sefydlog) / Duration (Call / Fixed Term**)	Cyfnod (O/I)/ Period (From / To)	Graddfa Dychweliad/ Rate of Return %	Graddfa Tymor Hir Fitch Long Term Ratin g	Graddfa Tymor Byr Fitch Short Term Rating	Graddfa Tymor Hir Moody's Long Term Rating	Graddfa Tymor Byr Moody's Short Term Rating	Graddfa Tymor Hir Standard & Poor's (S&P) Long Term Rating	Graddfa Tymor Byr Standard & Poor's (S&P) Short Term Rating	Lliw Sector/Hyd Awgrymiedig/ Sector Colour / Suggested Duration
Lloyds Banking Group plc	Bank of Scotland plc	9,950	Galw/ Call	n/a	0.40	A	F1	A1	P-1	A	A-1	Glas - 12 mis/ Blue - 12 months
HSBC Holdings plc	HSBC Bank plc	703	Galw/ Call	n/a	0.25	AA-	F1+	Aa3	P-1	AA-	A-1+	Oren – 12 mis / Orange – 12months
Santander Group plc	Santander UK plc	7,499	Galw/ Call	n/a	0.40	A	F1	A2	P-1	A	A-1	Coch – 6 mis/ Red - 6 months
The Royal Bank of Scotland Group plc	The Royal Bank of Scotland plc	470	Galw/ Call	n/a	0.25	A	F1	Baa1	P-2	A-	A-2	Glas - 12 mis / Blue - 12 months

\* Ceir y Rhestr Benthyca Cymeradwyedig yn Atodiad 6 o'r Datganiad Strategaeth Rheoli Trysorlys 2014/15/Strategaeth Buddsoddi Blynnyddol/The Approved Lending List can be found at Appendix 6 of the 2014/15 Treasury Management Strategy Statement / Annual Investment Strategy

\*\* Sef tymor ar pwynt y buddsoddi/Being term at the point of investment.

- Yn Atodiad 6 ceir y graddfeydd credyd cyfatebol ar gyfer y 3 asiantaeth graddio y cyfeirir atynt uchod./The equivalent credit ratings for the 3 rating agencies referred to above can be found at Appendix 6.

**Graddfeydd Credyd Cyfatebol/  
Equivalent Credit Ratings (Fitch, Moodys, S&P)**

<b>Tymor Hir Fitch Long Term</b>	<b>Tymor Hir Moodys Long Term</b>	<b>Tymor Hir S&amp;P Long Term</b>
AAA	Aaa	AAA
AA+	Aa1	AA+
AA	Aa2	AA
AA-	Aa3	AA-
A+	A1	A+
A	A2	A
A-	A3	A-
BBB+	Baa1	BBB+
BBB	Baa2	BBB
BBB-	Baa3	BBB-
<b>Tymor Byr Fitch Short Term</b>	<b>Tymor Byr Moodys Short Term</b>	<b>Tymor Byr S&amp;P Short Term</b>
F1+	d/b / n/a	A-1+
F1	P-1	A-1
F2	P-2	A-2
F3	P-3	A-3

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>REPORT TO:</b>	<b>THE EXECUTIVE</b>
<b>DATE:</b>	<b>1 DECEMBER 2014</b>
<b>SUBJECT:</b>	<b>COUNCIL TAX REDUCTION SCHEME 2015/16</b>
<b>PORTFOLIO HOLDER(S):</b>	<b>COUNCILLOR HYWEL EIFION JONES (PORTFOLIO HOLDER - FINANCE)</b>
<b>HEAD OF SERVICE:</b>	<b>RICHARD MICKLEWRIGHT (HEAD OF FUNCTION - RESOURCES)</b>
<b>REPORT AUTHOR:</b>	<b>GERAINT H. JONES (REVENUES AND BENEFITS SERVICE MANAGER)</b>
TEL:	01248 752651
E-MAIL:	GHJFI@ANGLESEY.GOV.UK
<b>LOCAL MEMBERS:</b>	<b>NOT APPLICABLE</b>

<b>A - Recommendation/s and reason/s</b>	
<p><b>RECOMMENDATIONS</b></p> <ul style="list-style-type: none"> <li>• The Executive recommends to the Isle of Anglesey County Council (full Council) in its meeting on 4 December 2014 that its current local Council Tax Reduction Scheme should not be revised or replaced with another scheme.</li> <li>• The Executive recommends to the full Council in its meeting on 4 December 2014 to formally adopt the current Council Tax Reduction Scheme for the financial year 2015/16.</li> <li>• The Executive recommends to the full Council in its meeting on 4 December 2014 that it provides authority to the Head of Function – Resources to make administrative arrangements so that all annual changes for uprating of financial figures or technical revisions in any amending regulation or regulations are reflected in the Council’s Council Tax Reduction Scheme and for each subsequent year.</li> </ul> <p><b>REASONS AND BACKGROUND</b></p> <p>See attached report - <b>Appendix A</b></p>	
<b>B - What other options did you consider and why did you reject them and/or opt for this option?</b>	
<p>See attached report – <b>Appendix A</b></p>	
<b>C - Why is this a decision for the Executive?</b>	
<p>Regulations state that this is a decision of the full Council. The Executive is asked to endorse a Council Tax Reduction Scheme for approval by the full Council.</p>	
<b>CH - Is this decision consistent with policy approved by the full Council?</b>	
<p>The Council Tax Reduction Scheme for 2015/16 which the Executive is asked to endorse is consistent with the scheme approved by full Council with regard to the current Council Tax Reduction Scheme that applies for the financial year 2014/15.</p>	

<b>D - Is this decision within the budget approved by the Council?</b>		
<p>In the Welsh Government's Provisional Local Government Revenue and Capital Settlement 2015/16 a Council Tax Reduction Scheme Grant of £5,228,000 has been awarded to the Council to meet the cost of its local Council Tax Reduction Scheme for 2015/16.</p> <p>Current expenditure (end of Quarter 2 2014/15 is £5,238,447). Two factors for 2015/16 will affect the expenditure on the scheme:-</p> <ul style="list-style-type: none"> <li>• Possible continued reduction in caseload of between 2% - 3% during 2015/16;</li> <li>• Planned increase in Council Tax of 5% for 2015 - 2016.</li> </ul> <p>At best the estimated expenditure on the scheme will be £5,335,358 (assuming a 3% reduction in caseload with a 5% increase in Council Tax) and at worst estimated expenditure at £5,500,369 (assuming no caseload reduction with a 5% increase in Council Tax).</p> <p>There is therefore an estimated expected shortfall of between £107k and £272k in grant funding which will have to be met by the Council. This is based on the full Council readopting the current scheme unchanged.</p>		
<b>DD - Who did you consult?</b>		<b>What did they say?</b>
<b>1</b>	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	
<b>2</b>	<b>Finance / Section 151</b> (mandatory)	Author of report
<b>3</b>	<b>Legal / Monitoring Officer</b> (mandatory)	No Comments
<b>4</b>	<b>Human Resources (HR)</b>	
<b>5</b>	<b>Property</b>	
<b>6</b>	<b>Information Communication Technology (ICT)</b>	
<b>7</b>	<b>Scrutiny</b>	
<b>8</b>	<b>Local Members</b>	
<b>9</b>	<b>Any external bodies / other/s</b>	
<b>E - Risks and any mitigation (if relevant)</b>		
<b>1</b>	<b>Economic</b>	
<b>2</b>	<b>Anti-poverty</b>	
<b>3</b>	<b>Crime and Disorder</b>	
<b>4</b>	<b>Environmental</b>	
<b>5</b>	<b>Equalities</b>	
<b>6</b>	<b>Outcome Agreements</b>	
<b>7</b>	<b>Other</b>	The main risk to the Council is additional costs of its Council Tax Reduction Scheme above the Welsh Government's Grant for 2015/16. The Council has no control on fluctuations in caseload and should caseload increase the costs borne by the Council will consequently increase. A 1% increase in caseload will be an additional burden on the Authority of between £50,000 and £55,000.
<b>F - Appendices:</b>		
Appendix A: Report to full Council to consider 4 December 2014		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
The Wales Council Tax Reduction Scheme: Comparisons within Wales of Protected Characteristics and incidence of Vulnerability March 2013 – Simon Horsington and Associates Ltd, 2013		

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>REPORT TO:</b>	<b>COUNTY COUNCIL</b>
<b>DATE:</b>	<b>4 DECEMBER 2014</b>
<b>SUBJECT:</b>	<b>COUNCIL TAX REDUCTION SCHEME</b>
<b>LEAD OFFICER(S)</b>	<b>RICHARD MICKLEWRIGHT HEAD OF FUNCTION (RESOURCES)</b>
<b>CONTACT OFFICER</b>	<b>GERAINT JONES REVENUES AND BENEFITS MANAGER (EXT. 2651)</b>
<b>ACTION :</b>	<b>TO ADOPT THE COUNCIL TAX REDUCTION SCHEME FOR 2015/16</b>

## **1. Purpose of the report**

- 1.1** The report explains the requirement to adopt a scheme by 31 January 2015 with regard to 2015/16.

## **2. Background Information**

- 2.1** The full Council on 27 January 2014 adopted its Council Tax Reduction Scheme for the financial year 2014/15. The full Council is required to consider under Part 2, Regulation 18 of "The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 No. 3029 (W.301) (the Regulations) for each financial year whether to revise its scheme or replace it with another Council Tax Reduction Scheme. The full Council must make any revision to its scheme, or any replacement scheme, no later than 31 January in the financial year preceding that for which the revision or replacement comes into effect.
- 2.2** The full Council under the current scheme formally adopted the Regulations as its scheme and using discretionary powers decided to use local discretion to adopt a Local War Disablement Pension and War Widow's or Widower's Pension Discretionary Scheme in accordance with the Regulations. The elements disregarded as income are detailed in the current scheme for the purpose of this local discretion. This provides additional Council Tax support to that statutorily required to pay under the Regulations. This is the only local discretion awarded by the full Council under its current Local Council Tax Reduction Scheme.
- 2.3** The full Council must also have regard to Regulation 17 of the Regulations when revising or replacing a scheme. If the full Council decides to revise or replace its scheme it must publish a draft revised scheme in such a manner it think fits and must consult with any persons it considers likely to have an interest in the operation of its Council Tax Reduction Scheme. There is however no expressed requirement to consult annually, it is only if a scheme is revised or replaced when consultation has to take place.
- 2.4** For 2015/16 the Welsh Government is not revising or changing the Regulations, but as for 2014/15 the Welsh Government will be making amending regulations to uprate the financial figures used in the Regulations and to reflect any other technical amendments required as a result of changes to underlying benefits. Again, as for 2014/15 the timing of these amending regulations is dependent on the Chancellor of Exchequer's Autumn Statement (3 December 2014) and the subsequent uprating schedule published by the Department for Work and Pensions a few days after the Autumn Statement. The earliest date the Welsh Government will be able to lay the new draft Regulations reflecting the uprate to financial figures or any other technical amendment before the National Assembly for Wales is the 8th or 9th December 2014. These regulations must be laid in

draft for 20 working days with recess dates not being counted and a plenary debate held before they come into effect. For 2014/15 these amending regulations did not come into effect until 15 January 2014 and it is expected a similar timetable will apply for 2015/16.

- 2.5 As the full Council is meeting on 4 December 2014 to determine its local Council Tax Reduction Scheme for 2015/16 it is proposed that the Head of Function (Resources) is given the authority to make administrative arrangements so that all annual changes for uprating of financial figures or technical revisions are reflected in the Council's Council Tax Reduction Scheme and for each subsequent year.

### 3. Impact of the current Council Tax Reduction Scheme

- 3.1 In **Appendix B** the full Council is provided with information, statistics and values concerning the impact of its Council Tax Reduction Scheme for 2014/15. This information will be useful in future to the full Council in its consideration whether to revise or replace its current scheme, in that –

- It can use this data to measure trends (currently accurate at September 2014) against the effective baseline (accurate at December 2012) when the Equality Impact Assessment was undertaken of protected characteristics and incidence of vulnerability;
- To begin to understand the impact of the scheme upon the inhabitants of the Island with reference to age, disabled people, gender and race;
- For the future, to potentially inform the full Council's understanding of the potential costs of different potential schemes and of the potential costs of full or partial protection of particular client groups and vulnerable people. At present up to 100% reduction must be provided under the Regulations but the Welsh Government has stated that this is not sustainable in the longer term with those in receipt of a partial Council Tax Reduction probably having to pay more or for those currently receiving 100% reduction having for the first time contribute towards their Council Tax costs after April 2017.

- 3.2 Since the baseline data established in December 2012 the following trends can be identified for the Island with regard to its Council Tax Reduction Scheme:-

- **Caseload:** since December 2012 to September 2014 there has been an overall reduction in the caseload of 6.3% (6,960 down to 6,525). This reverses a trend over recent years where caseload had increased locally and nationally year on year;
- **Age:** the analysis at December 2012 suggested a slightly higher incidence of Working Age over Pensioner Age claims by number (51.5%/48.5% split). By September 2014 this had increased very slightly (51.7%/48.3% split);
- **Age:** the analysis of households with children claiming a Council Tax Reduction in December 2012 was 21.9% of caseload. By September 2014 this has increased to 24.2%;
- **Disability:** the analysis of households who receive a Council Tax Reduction where specified disability payments were received (these being - Care Component of a Disability Living Allowance (Low, Middle or High), Attendance Allowance, Support Component of Employment Support Allowance, Incapacity Benefit and Personal Independence Payments) in December 2012 this was 39.3% of caseload. By September 2014 this had decreased to 34.8%.



- **Gender:** the incidence of female single parents as at December 2012 was 92.5% (13.3% of caseload). By September 2014 this was 92.3% (14.3%);
- **Race:** The Office of National Statistics in December 2012 published its March 2011 Census relating to diversity for the Isle of Anglesey. All claimants completing a Council Tax Reduction application form are asked to complete a voluntary ethnic survey. ( See Table 6 in Appendix B for a breakdown based on the voluntary survey which is compared to the March 2011 Census figures).

**3.3** The full Council is further asked to note that during the first half of 2014/15 the number of people claiming Job Seeker Allowance on the Island has seen a significant fall at individual Job Centre Plus offices on the Island, ranging from 25% to 30%. The reduction in those claiming its Council Tax Reduction in the same period is much less (3.5%). Working age claimants are still eligible for partial Council Tax Reduction due to low incomes. More standard claimants are being processed which involves additional work to process these claims in verifying income – as against those on passported benefits such as Job Seekers Allowance (Income Based), Income Support, Employment Support Allowance (Income Related ) and Pension Credit Guarantee where the Department for Work and Pensions have already verified income.

**3.4** For the first 6 months of 2014/15, 864 new Council Tax Reduction Scheme claimants have been processed with 7,989 changes in circumstances processed. The average time taken to process new claims and changes in circumstances is 7.3 days in this period.

#### **4. Review of the current scheme**

**4.1** As the Welsh Government is not proposing to amend the Regulations, apart from financial upratings and technical amendments that are used in the Regulations, the only considerations available to the full Council to review and decide, is in the area of local discretions allowed by the Regulations. Under the Regulations, the full Council has local discretion in these areas only:-

- The ability to increase the standard extended reduction period of 4 weeks given to persons after they return to work where they have previously been receiving a council tax reduction that is to end as a result of their return to work i.e **“Extended Payment Period”**;

Estimated increased costs for 2015/16 associated with extending the statutory extended period ranges between £7,000 for two weeks up to £21,000 for 6 weeks beyond the standard 4 weeks. Under the previous Council Tax Benefits rules no special provision existed to allow this and the full Council did not apply this when Council Tax Reduction was introduced. It is recommended therefore not to revise the scheme and extend the payment period for 2015/16.

- Discretion to increase the amount of War Disablement Pensions and War Widows Pensions which is to be disregarded when calculating income of the claimant i.e. **“War Widows/Widowers”**;

The full Council already has a local scheme allowing additional disregards in this area. It is recommended that this should continue. The cost to the Council is estimated to be £24,000 in 2015/16. It is recommended therefore, that the additional disregards applied under the current local scheme will continue unrevised for 2015/16.

- The ability to backdate the application of Council Tax Reduction with regard to late claims prior to the standard period of three months before the claim i.e. **“Backdating of Claims”**.

The full Council has always held the view that 3 months is an adequate time period to allow backdating of Council Tax Reduction for both pensioner and working age claims. The full Council is of the view that there are sufficient support networks available to advise claimants. There is a great deal of uncertainty about the likely cost if such a local scheme was applied and it is recommended therefore not to revise the scheme by extending the back-dating period beyond 3 months during 2015/16.

- 4.2 It should be noted that there is no additional money available from the Welsh Government to fund these discretionary elements.
- 4.3 Under Appendix 1 of its Council Tax Reduction Scheme for 2014/15, the full Council details the procedure by which a new claimant can apply for a reduction under the scheme. Below is provided an analysis of the method of application used by new claimants for the Council Tax Reduction Scheme between 1 April 2014 and 30 September 2014.

Method of application	Number	Percentage (%)
<b>A. Electronic based application</b>		
i. By appointment at Revenues & Benefits Office, Llangefni	155	18.0%
ii. By appointment over the telephone to Revenues & Benefits Office, Llangefni	93	10.8%
iii. By appointment at J E O'Toole Centre, Holyhead	50	5.8%
iv. On-line application via web site	288	33.3%
v. Department for Work and Pension input documents	223	25.8%
vi. With "trusted" 3rd parties e.g. Housing Services, CAB	7	0.8%
<b>B. Paper based application</b>	6	0.6%
<b>C. Method of application not known as not properly recorded</b>	42	4.9%
<b>TOTAL</b>	<b>864</b>	<b>100.0%</b>

It is also recommended that these procedures remain the same and are not revised for 2015/16.

## 5. Financial and Risk Implications

- 5.1 In the Welsh Government's Provisional Local Government Revenue and Capital Settlement 2015/16 a Council Tax Reduction Scheme Grant of £5,228,000 has been awarded to the Council to meet the cost of its local Council Tax Reduction Scheme for 2015/16.
- 5.2 Current expenditure (end of Quarter 2 2014/15 is £5,238,447). Two factors for 2015/16 will affect the expenditure on the scheme:-
- Possible continued reduction in caseload of between 2% - 3% during 2015/16;
  - Planned increase in Council Tax of 5% for 2015/16.
- 5.3 At best the estimated expenditure on the scheme will be £5,335,358 (assuming a 3% reduction in caseload with a 5% increase in Council Tax) and at worst estimated expenditure at £5,500,369 (assuming no caseload reduction with a 5% increase in Council Tax).
- 5.4 There is therefore an estimated expected shortfall of between £107k and £272k in grant funding which will have to be met by the Council. This is based on the full Council readopting the current scheme unchanged.

5.5 The main risk to this projection is that the caseload during 2015/16 will increase due to a reduced economic growth. For every 1% increase in caseload there will be an additional cost to the Authority of between £50,000 and £55,000.

## 6. Legal Implications

6.1 The Council is obliged to make a Council Tax Reduction Scheme under the Prescribed Requirements Regulations. Although the legislation provides for a default scheme to apply in the absence of the Council making a scheme, the Council is, nevertheless, under a statutory duty to adopt its own scheme, even if it chooses not to apply any of the discretionary elements.

## 7. Equalities Implications

7.1 The Welsh Government has compiled an equalities impact assessment following its consultation for the original 2012 Regulations. A local equalities impact assessment has been carried out on behalf of the Council in joint arrangements across Wales also with regard to the 2012 Regulations (December 2012, published March 2013) and this has been updated as at September 2014 as detailed in **Appendix B**.

## 8. Background Documents

The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 No. 3029 (W.301)

The Council Tax Reduction Schemes (Prescribed Requirements and Default Schemes) (Wales) (Amendment) Regulations 2015 No ???? (W???)

The Wales Council Tax Reduction Scheme: Comparisons within Wales of Protected Characteristics and incidence of Vulnerability March 2013 – Simon Horsington and Associates Ltd, 2013

## 9. Recommendation

- That the full Council does not revise or replace its current Council Tax Reduction Scheme with another scheme;
- That the full Council formally adopts the current Council Tax Reduction Scheme for the financial year 2015/16. **(see Appendix A)**
- That the full Council in its meeting provides authority to the Head of Function – Resources to make administrative arrangements so that all annual changes for uprating of financial figures or technical revisions in any amending regulation or regulations are reflected in the Council's Council Tax Reduction Scheme and for each subsequent year.



# **Isle of Anglesey County Council**

## **Council Tax Reduction Scheme 2015/16**

### **Prescribed Scheme for Pensioner and Non Pensioner Claimants**

## Introduction

Since 1 April 2013, Council Tax Benefit as a method of supporting low income households with their Council Tax was abolished. It was replaced by a Council Tax Reduction Scheme.

On 19 December 2012 the Welsh Government made regulations to introduce a national scheme for Wales, "The Council Tax Reduction Scheme and Prescribed Requirements (Wales) Regulations 2012 No. 3144 (W.316)" (**Prescribed Regulations**) and "The Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2012 No. 3145 (W.317)" (**Default Regulations**). Further amending regulations were passed by the Welsh Government on 22 January 2013 "The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme)(Wales)(Amendment) Regulations 2013 (**Amending Regulations**).

The Prescribed Regulations contained a sunset clause. As a result of this clause, the above mentioned regulations only applied to the 2013/14 financial year. This clause required the regulations to be reviewed and a new set brought forward by 1 January 2014 by Welsh Ministers. If new regulations were not brought forward by this date, there would be no provision for Council Tax Reduction Schemes to be implemented in Wales after 31 March 2014.

On 26 November 2013, the Welsh Assembly approved two new sets of regulations: "The Council Tax Reduction Schemes (Default Schemes)(Wales) Regulations 2013 (**the Default Scheme Regulations**)" and "The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 (**the Prescribed Requirements Regulations**)" – these can be accessed:

### **Default Scheme Regulations**

<http://www.legislation.gov.uk/wsi/2013/3035/contents/made>

### **Prescribed Requirements Regulations**

<http://www.legislation.gov.uk/wsi/2013/3029/contents/made>

### **Amending Regulations**

On ?? January 2015 a further set of amending regulations to mainly uprate the financial figures in line with the cost of living increases and address a number of minor technical points were approved by the National Assembly for Wales - the Council Tax Reduction Schemes (Prescribed Requirements and Default Schemes) (Wales) (Amendment) Regulations 2015 (**Amending Regulations**). These can be accessed:

<http://www.legislation.gov.uk/wsi/2015/??/contents/made>

These regulations therefore prescribe the main features of the scheme to be adopted by all Councils in Wales. An obligation, therefore, remains upon the Isle of Anglesey County Council to adopt a scheme. The Isle of Anglesey County Council is required to adopt a Council Tax Reduction Scheme by 31 January 2015 for 2015/16 onwards.

The Isle of Anglesey County Council's Local Council Tax Reduction Scheme will be based on the Welsh Government's Prescribed Requirements Regulations (as amended). These Prescribed Requirements Regulations also permit the Isle of Anglesey County Council to adopt a scheme which incorporates a limited range of discretionary elements to provide further support for Council Tax. Where the Isle of Anglesey County Council has adopted additional discretionary elements, these discretionary elements are set out within this document.

If the Isle of Anglesey County Council fails to make a scheme by 31 January 2015, then the default scheme shall apply under the provisions of the Default Scheme Regulations. The Isle of Anglesey County Council can, however, only apply discretion if it adopts its own scheme under the Prescribed Requirements Regulations.

## Local Council Tax Reduction Scheme Requirements

The full Council of the Isle of Anglesey County Council approved its Local Council Tax Reduction Scheme on 1 December 2014 relating to the year beginning 1 April 2015. It specifies, in accordance with the Prescribed Requirements Regulations:–

- Classes of persons who are entitled or not entitled to a reduction
- The reductions which persons in each class are to be entitled
- Scheme procedural requirements:-
  1. the procedure by which a person may apply for a reduction under the scheme.
  2. the procedure by which a person may appeal against a decision of an authority with respect to a person's entitlement to a reduction under the scheme or the amount of any reduction to which the person is entitled.
  3. the procedure by which a person may apply to an authority for a reduction under section 13A(1)(c) of the Local Government Finance Act 1992.

## **Isle of Anglesey County Council's Local Council Tax Reduction Scheme**

The Isle of Anglesey County Council formally adopted its Local Council Tax Reduction Scheme based on requirements as detailed in the Welsh Government's "The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 No.3029 (W.301) (Prescribed Requirements Regulations) and the Council Tax Reduction Schemes (Prescribed Requirements and Default Schemes) (Wales) (Amendment) Regulations 2015 No.?? (W.?6) (Amending Regulations). The Prescribed Requirements Regulations and amending regulation can be accessed at:-

<http://www.legislation.gov.uk/wsi/2013/3029/contents/made>

<http://www.legislation.gov.uk/wsi/2015/??/contents/made>

In summary:-

### **Part 1 of the Prescribed Requirements Regulations:**

Contain introductory provisions and definitions of key words and phrases used in this scheme.

### **Part 2 of the Prescribed Requirements Regulations: scheme requirements in relation to billing authorities in Wales (as amended by Amending Regulations)**

What the scheme adopted by the Isle of Anglesey County Council must include – classes of persons, reductions and scheme procedural requirements.

### **Part 3 of the Prescribed Requirements Regulations: Classes of persons entitled to a reduction under this scheme (as amended by Amending Regulations)**

**Pensioners** who fall within Classes A to B.

**Non-pensioners** who fall within Classes C to D.

### **Part 4 of the Prescribed Requirements Regulations: Classes of persons who must not be included under this scheme (as amended by Amending Regulations)**

Classes of persons prescribed to be excluded from this scheme, including persons treated as not being in Great Britain and persons subject to immigration control.

Persons whose capital exceeds £16,000.

Persons who are absent for a period from a dwelling.

Persons who are students.

### **Part 5 and Schedules 1 to 5 of the Prescribed Requirements Regulations: matters that must be included in this scheme in relation to pensioners (as amended by Amending Regulations)**

Schedules 1 to 5 set out the rules relevant to determine the eligibility of pensioners for a reduction and the amount of reduction under this scheme and the amount of maximum Council Tax Reduction under this scheme. They also set out how income and capital for pensioners is treated in calculating eligibility for a reduction under this scheme.

**Part 5 and Schedules 6 to 10 of the Prescribed Requirements Regulations: matters that must be included in this scheme in relation to non-pensioners (as amended by Amending Regulations)**

Schedules 6 to 10 set out the rules relevant to determine the eligibility of non-pensioners for a reduction and the amount of reduction under this scheme and the amount of maximum Council Tax Reduction under this scheme. They also set out how income and capital for non-pensioners is treated in calculating eligibility for a reduction under this scheme, including in cases where a non-pensioner or partner has been awarded universal credit.

**Schedule 11 of the Prescribed Requirements Regulations (as amended by Amending Regulations)**

This provides for the application of this scheme to students.

**Part 5 and Schedules 12 to 14 of the Prescribed Requirements Regulations: matters that must be included in this scheme in respect of all applicants i.e. pensioner and non-pensioner (as amended by Amending Regulations)**

Schedule 12 concerns procedural matters that must be included in this scheme. It describes the procedure by which a person can apply for a reduction in Council Tax under this scheme. Appendix 1 of this scheme provides details of how a person can apply to the Isle of Anglesey County Council for a reduction in Council Tax.

Schedule 12 also describes how a person may make an appeal against certain decisions of the Isle of Anglesey County Council under this scheme.

As the Isle of Anglesey County Council uses electronic communication in connection with making an application and award of a reduction, Schedule 12 details matters that must be included under this scheme.

Schedules 13 and 14 describes who may make an application under this scheme, the date on which an application is made, backdating of applications for pensioners and non-pensioners, amendment and withdrawal of applications and evidence and information required with the application. Schedules 13 and 14 also provide the requirements under this scheme for the information required to be provided by the Isle of Anglesey County Council when notifying the applicant of the decision and what must be included in the decision notice.

**Part 6 of the Prescribed Requirements Regulations (as amended by Amending Regulations)**

Set out the transitional provisions that will apply to persons who are in receipt of, or who have made an application for, a reduction under existing reduction schemes, when the new schemes come into operation.



**Discretionary elements agreed by the Isle of Anglesey County Council to provide Council Tax support in addition to the statutory requirements detailed in the Prescribed Requirements Regulations adopted by the Council**

The Isle of Anglesey County Council has decided to adopt a Local War Disablement Pension and War Widow's or Widower's Pension Discretionary Scheme. This is detailed in Appendix 2 which provides the elements of such pensions that will be disregarded as income. This is additional Council Tax support to that statutorily required in the Prescribed Regulations. This Local War Disablement Pension and War Widow's or Widower's Pension Discretionary Scheme is identical to the scheme that applied under Council Tax Benefit.

This will be the only local discretion applied by the Isle of Anglesey under its Local Council Tax Reduction Scheme.

DRAFT

**Details the following procedure by which a person can apply for a reduction under the scheme**

All persons must apply for a Council Tax Reduction, unless further Welsh Government regulations state otherwise. This will be an electronic or a paper Council Tax Reduction Application Form delivered to the following designated offices.

**A.** An electronic application can be made by the following methods:–

- i.** By appointment to attend to complete the form at the Revenues and Benefits Section Offices, Resources Function, County Offices, Llangefni, LL77 7TW (Telephone 01248 752658/752226) or for vulnerable clients to attend at their home to complete the application form;
- ii.** By appointment to complete the form over the telephone to the Revenues and Benefits Section Offices, Resources Function, County Offices, Llangefni, LL77 7TW (Telephone 01248 752658/752226);
- iii.** By appointment to complete the form at the J E O’Toole Centre, Trearddur Square, Holyhead, LL65 1NB (Telephone 01407 760208);
- iv.** Electronically via the Isle of Anglesey County Council’s web site
- v.** Department of Work and Pension Local Authority Input Document (LAID) and Local Authority Customer Information (LACI) where they declare an intention to claim a Council Tax Reduction
- vi.** Electronically in some other format as the Isle of Anglesey County Council may decide in the future.

**B.** A paper application can be made by the following methods:-

By approved application form received by the Isle of Anglesey Resources Function, Revenues and Benefits Section at its designated offices at Council Offices, Llangefni, LL77 7TW or the Benefits Office, Room 3, 2<sup>nd</sup> Floor, Town Hall, Newry Street, Holyhead, LL65 1HU.

**LOCAL SCHEME – WAR PENSION DISREGARDS**  
**Schedule 4, Regulation 30 – Pensioners**  
**Schedule 9, Regulation 31 – Non Pensioners**

INDIVIDUAL ELEMENTS	INCOME DISREGARDED
War Disablement Pension	Yes (£10 statutory, 100% Local)
War Widows or War Widower's Pension	Yes (£10 statutory, 100% Local)
War Widow Pension (Pre 1973 – SPAL)	Yes (2015/16) 100% statutory, £???.?? subject to annual uprating*)
Unemployability Supplement	No
Additional Allowance for Wife (paid with Unemployability Supplement)	No
Constant Attendance Allowance	Yes (statutory)
Invalidity Allowance	No
Comforts Allowance	No
Age Allowance	No
Allowance for Lower Standard of Occupation	No
War Pensioners Mobility Supplement	Yes (statutory)
Exceptionally Severe Disablement Allowance	Yes (statutory)
Severe Disablement Occupational Allowance	Yes (statutory)
Child Allowance	No

\*this is set by the Naval, Military and Air forces etc. "Disablement and Death" Service Pension Order 2006. Uprating for 2015 /16 has not yet been received.

Table 1: Caseload 30 September 2014

Description	Number	Percentage	Value	Percentage
<b>Total Council Tax Reduction awarded</b>	<b>6,525</b>	<b>100%</b>	<b>£5,238,447</b>	<b>100%</b>
<b>Percentage Awarded</b>				
Council Tax Reduction full awards i.e. 100%	4,884	74.9%	£4,254,960	81.2%
Council Tax Reduction partial awards i.e. less than 100%	1,641	25.1%	£983,487	18.8%
<b>Claim Type</b>				
Passported* claims	4,657	71.4%	£3,970,648	75.8%
Non passported claims i.e. Standard Claims	1,868	28.6%	£1,267,799	24.2%
<b>Council Tax Bands</b>				
Band A (Disabled reduction)	11	0.2%	£5,924	0.1%
Band A	2,002	30.7%	£1,303,773	24.9%
Band B	2,071	31.7%	£1,572,994	30.0%
Band C	1,196	18.3%	£1,017,037	19.4%
Band D	751	11.5%	£726,169	13.9%
Band E	357	5.5%	£414,842	7.9%
Band F	110	1.7%	£155,282	3.0%
Band G	23	0.4%	£36,243	0.7%
Band H	3	0.0%	£4,317	0.1%
Band I	1	0.0%	£1,866	0.0%
<b>Local precepting areas</b>				
Holyhead	1,758	26.8%	£1,252,230	23.9%
Llangefni	566	8.6%	£431,065	8.2%
Amlwch	476	7.3%	£386,100	7.4%
Menai Bridge	229	3.5%	£190,353	3.6%
Llanfair Mathafran Eithaf	228	3.5%	£214,027	4.1%
Rhosyr	220	3.4%	£186,513	3.6%
Beaumaris	193	3.0%	£163,774	3.1%
Valley	185	2.8%	£146,567	2.8%
Llanfairpwll	158	2.4%	£132,997	2.5%
Llanfaelog	157	2.4%	£131,701	2.5%
Llanerchymedd	147	2.3%	£117,742	2.3%
Llanbadrig	141	2.2%	£117,346	2.3%
Llanfair yn Neubwll	132	2.0%	£108,348	2.1%
Bodedern	113	1.7%	£91,558	1.8%
Llanfihangel Esceifiog	112	1.7%	£94,029	1.8%
Llangoed	106	1.6%	£88,203	1.7%
Trewalchmai	104	1.6%	£85,778	1.6%
Pentraeth	102	1.6%	£84,407	1.6%
Llaneilian	100	1.5%	£93,305	1.8%
Bodorgan	98	1.5%	£80,627	1.5%
Mechell	96	1.5%	£85,928	1.6%
Llanidan	95	1.5%	£73,108	1.4%
Moelfre	91	1.4%	£73,725	1.4%
Rhosybol	83	1.3%	£73,833	1.4%
Cwm Cadnant	83	1.3%	£73,187	1.4%
Bodffordd	81	1.2%	£68,186	1.3%
Aberffraw	80	1.2%	£57,816	1.1%
Bryngwran	78	1.2%	£59,818	1.1%
Llangristiolus and Cherrigceinwen	69	1.1%	£69,135	1.3%
Trearddur	64	1.0%	£64,210	1.2%

Description	Number	Percentage	Value	Percentage
<b>Local precepting areas (continued)</b>				
Cylch y Garn	54	0.8%	£47,745	0.9%
Llanddaniel	50	0.8%	£40,606	0.8%
Llanddyfnan	49	0.8%	£48,503	0.9%
Llanfaethlu	48	0.7%	£42,824	0.8%
Llanddona	47	0.7%	£41,171	0.8%
Llanfachraeth	44	0.7%	£34,859	0.7%
Tref Alaw	44	0.7%	£45,893	0.9%
Rhoscolyn	20	0.3%	£18,851	0.4%
Penmynydd	17	0.3%	£14,539	0.3%
Llaneugrad	8	0.1%	£7,839	0.2%

\* Passported claims are Job Seekers Allowance (Income Based), Income Support, Employment Support Allowance (Income Related ) and Pension Credit Guarantee where the Department for Work and Pensions have already verified income.

**Table 2: Age - Working and Pension Claims 30 September 2014**

Description	Number	Percentage	Value	Percentage
<b>Total Council Tax Reduction awarded</b>	<b>6,525</b>	<b>100%</b>	<b>£5,238,447</b>	<b>100%</b>
<b>Age Group</b>				
Working Age	3,373	51.7%	£2,614,664	49.9%
Pensioner Age	3,152	48.3%	£2,623,783	50.1%
<b>Passported claims* by Age Group</b>				
Working Age	2,477	38.0%	£2,022,768	38.6%
Pensioner Age	2,180	33.4%	£1,947,880	37.2%
<b>Non Passported i.e. standard claims by Age Group</b>				
Working Age	890	13.6%	£591,896	11.3%
Pensioner Age	978	15.0%	£675,903	12.9%
<b>Household Composition by Age Group - Couple</b>				
Working Age	856	13.1%	£800,361	15.3%
Pensioner Age	879	13.5%	£861,477	16.4%
<b>Household Composition by Age Group - Single</b>				
Working Age	2,508	38.4%	£1,811,362	34.6%
Pensioner Age	2,282	35.0%	£1,765,247	33.7%

\* Passported claims are Job Seekers Allowance (Income Based), Income Support, Employment Support Allowance (Income Related ) and Pension Credit Guarantee where the Department for Work and Pensions have already verified income.

**Table 3: Age – Households with responsibility for Children**

Description	Number	Percentage	Value	Percentage
<b>Total Council Tax Reduction awarded</b>	<b>6,525</b>	<b>100%</b>	<b>£5,238,447</b>	<b>100%</b>
<b>Household Composition - status</b>				
Couple	1,735	26.6%	£1,661,839	31.7%
Single	4,790	73.4%	£3,576,608	68.3%
<b>Household Composition - children</b>				
<b>No children</b>	<b>4,953</b>	<b>75.8%</b>	<b>£3,989,654</b>	<b>76.1%</b>
1 child	705	10.8%	£524,678	10.0%
2 children	463	7.1%	£370,843	7.1%
3 children	267	4.1%	£230,441	4.4%
4 children	92	1.4%	£82,303	1.6%
5 children	36	0.6%	£29,867	0.6%
6 children	3	0.1%	£3,670	0.1%
7 children	1	0.0%	£727	0.0%
8 children	2	0.0%	£2,284	0.0%
9 children	3	0.1%	£3,980	0.1%
<b>Couples with children - age</b>				
Working Age	539	8.3%	£493,408	9.4%
Pensioner Age	21	0.3%	£22,840	0.4%
<b>Single with children - age</b>				
Working Age	988	15.2%	£710,818	13.7%
Pensioner Age	24	0.4%	£21,727	0.4%
<b>Couples with children under 5 years old</b>				
Working Age	247	3.8%	£219,194	4.2%
Pensioner Age	0	0.0%	£0	0.0%
<b>Single with children under 5 years old</b>				
Working Age	424	6.5%	£309,996	5.9%
Pensioner Age	3	0.1%	£3,390	0.1%

**Table 4: Households in which specified disability payments\* received**

Description	Number	Percentage	Value	Percentage
<b>Total Council Tax Reduction awarded</b>	<b>6,525</b>	<b>100%</b>	<b>£5,238,447</b>	<b>100%</b>
<b>Household Composition by age group</b>				
Working Age	941	14.4%	£812,092	15.5%
Pensioner Age	1,323	20.4%	£1,157,364	22.1%

\* Care Component of a Disability Living Allowance (Low, Middle or High), Attendance Allowance, Support Component of Employment Support Allowance, Incapacity Benefit and Personal Independence Payments

**Table 5: Analysis of protected characteristics: Gender, Single Parents**

Description	Number	Percentage	Value	Percentage
<b>Total Council Tax Reduction awarded</b>	<b>6,525</b>	<b>100%</b>	<b>£5,238,447</b>	<b>100%</b>
<b>Single Parents Household - Female</b>				
Working Age	916	14.0%	£655,842	12.5%
Pensioner Age	17	0.3%	£15,472	0.3%
<b>Single Parents Household - Male</b>				
Working Age	71	1.1%	£54,976	1.1%
Pensioner Age	7	0.1%	£6,255	0.1%

**Table 6: Ethnic Background Isle of Anglesey**

<b>Ethnic Origin</b>	<b>March 2011 Census</b>	<b>Council Tax Reduction Scheme September 2014</b>
White British	96.6%	835 (86.0%)
White other	1.7%	126 (12.0%)
Mixed heritage	0.8%	7 (0.7%)
Asian (All)	0.7%	1 (0.1%)
Black (All)	0.1%	2 (0.2%)
Other (All)	0.3%	0 (0.0%)
<b>TOTAL</b>		<b>971*</b>

\* At 30 September 2014 there was 971 live claimants who had voluntarily completed the ethnic survey.

**Table 7: Additional Council Tax Reduction Awarded under local discretionary scheme**

<b>Description</b>	<b>Number</b>	<b>Percentage</b>	<b>Value</b>	<b>Percentage</b>
<b>Total Council Tax Reduction awarded</b>	<b>6,525</b>	<b>100%</b>	<b>£5,238,447</b>	<b>100%</b>
War Widows Pension (Post 73)	1	0.0%	£964	0.0%
War Disablement Pension	25	0.4%	£19,935	0.4%

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