

Public Document Pack



CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

Dr Gwynne Jones.
Prif Weithredwr – Chief Executive

CYNGOR SIR YNYS MÔN
ISLE OF ANGLESEY COUNTY COUNCIL
Swyddfeydd y Cyngor - Council Offices
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RHYBUDD O GYFARFOD	NOTICE OF MEETING
PWYLLGOR GWAITH	THE EXECUTIVE
DYDD LLUN 14 RHAGFYR 2015 10.00 o'r gloch	MONDAY 14 DECEMBER 2015 10.00 am
SIAMBR Y CYNGOR SWYDDFEYDD Y CYNGOR LLANGFNI	COUNCIL CHAMBER COUNCIL OFFICES LLANGFNI
Swyddog Pwyllgor	Ann Holmes 01248 752518 Committee Officer

Annibynnol/Independent

R Dew, K P Hughes, H E Jones and Ieuan Williams (Cadeirydd/Chair)

Plaid Lafur/Labour Party

J A Roberts (Is-Gadeirydd/Vice-Chair) and Alwyn Rowlands

Aelod Democratiaid Rhyddfrydol Cymru /Welsh Liberal Democrat (Heb Ymuno / Unaffiliated)

Aled Morris Jones

COPI ER GWYBODAETH / COPY FOR INFORMATION

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

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

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

Please note that meetings of the Committee are filmed for live and subsequent broadcast on the Council's website. The Authority is a Data Controller under the Data Protection Act and data collected during this webcast will be retained in accordance with the Authority's published policy.

A G E N D A

1 DECLARATION OF INTEREST

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

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

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

3 THE EXECUTIVE'S FORWARD WORK PROGRAMME (Pages 1 - 12)

To submit the report of the Head of Democratic Services.

4 TREASURY MANAGEMENT MID-YEAR REVIEW 2015/16 (Pages 13 - 30)

To submit the report of the Head of Function (Resources)/Section 151 Officer.

5 SCRUTINY OUTCOME PANEL: DISPOSAL OF ASSETS (Pages 31 - 64)

To submit the final report of the Scrutiny Outcome Panel on the disposal of assets.

6 THE COUNCIL'S CORPORATE ASSET MANAGEMENT PLAN (LAND AND BUILDINGS) (Pages 65 - 132)

To submit the report of the Head of Highways, Waste and Property.

7 COUNCIL HOUSING DEVELOPMENT STRATEGY 2015- 2020 (Pages 133 - 150)

To submit the report of the Head of Housing Services.

8 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 (Paragraphs 14 & 16) of the said Act”.

9 GARREGLWYD CARE HOME, HOLYHEAD (Pages 151 - 156)

To submit the report of the Head of Function (Council Business)/Monitoring Officer.

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	The Executive
Date:	14 December 2015
Subject:	The Executive's Forward Work Programme
Portfolio Holder(s):	Cllr Ieuan Williams
Head of Service:	Lynn Ball Head of Function – Council Business / Monitoring Officer
Report Author: Tel: E-mail:	Huw Jones, Head of Democratic Services 01248 752108 JHuwJones@anglesey.gov.uk
Local Members:	Not applicable

A –Recommendation/s and reason/s
<p>In accordance with its Constitution, the Council is required to publish a forward work programme and to update it regularly. The Executive Forward Work Programme is published each month to enable both members of the Council and the public to see what key decisions are likely to be taken over the coming months.</p> <p>The Executive is requested to:</p> <p>confirm the attached updated work programme which covers January – August 2016;</p> <p>identify any matters subject to consultation with the Council's Scrutiny Committees and confirm the need for Scrutiny Committees to develop their work programmes further to support the Executive's work programme;</p> <p>note that the forward work programme is updated monthly and submitted as a standing monthly item to the Executive.</p>

* Key:
Strategic – key corporate plans or initiatives
Operational – service delivery
For information

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

-

C – Why is this a decision for the Executive?

The approval of the Executive is sought before each update is published to strengthen accountability and forward planning arrangements.

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

Yes.

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

Not applicable.

E – Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	The forward work programme is discussed at Heads of Service meetings ('Penaethiaid') on a monthly basis (standing agenda item). It is also circulated regularly to Corporate Directors and Heads of Services for updates.
2	Finance / Section 151 (mandatory)	
3	Legal / Monitoring Officer (mandatory)	
5	Human Resources (HR)	
6	Property	
7	Information Communication Technology (ICT)	
8	Scrutiny	
9	Local Members	Not applicable.
10	Any external bodies / other/s	Not applicable.

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For information

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F – Risks and any mitigation (if relevant)		
1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	
FF - Appendices:		
The Executive's Forward Work Programme: January – August 2016.		

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

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THE EXECUTIVE'S FORWARD WORK PROGRAMME

Period: January – August 2016

Updated 07.12.15



The Executive's forward work programme enables both Members of the Council and the public to see what key decisions are likely to be taken by the Executive over the coming months.

Executive decisions may be taken by the Executive acting as a collective body or by individual members of the Executive acting under delegated powers. The forward work programme includes information on the decisions sought, who will make the decisions and who the lead Officers and Portfolio Holders are for each item.

It should be noted, however, that the work programme is a flexible document as not all items requiring a decision will be known that far in advance and some timescales may need to be altered to reflect new priorities etc. The list of items included is therefore reviewed regularly.

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Reports will need to be submitted from time to time regarding specific property transactions, in accordance with the Asset Management Policy and Procedures. Due to the influence of the external market, it is not possible to determine the timing of reports in advance.

The Executive's draft Forward Work Programme for the period **January – August 2016** is outlined on the following pages.

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S = Strategic – key corporate plans or initiatives

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THE EXECUTIVE'S FORWARD WORK PROGRAMME

Period: January – August 2016

Updated 07.12.15

Subject & *category and what decision is sought	Decision by which Portfolio Holder or, if a collective decision, why	Lead Department	Responsible Officer/ Lead Member & contact for representation	Pre-decision / Scrutiny (if applicable)	Date to Executive or, if delegated, date of publication	Date to Full Council (if applicable)	
JANUARY 2016							
1	The Executive's Forward Work Programme (S) Approval of monthly update.	The approval of the full Executive is sought to strengthen forward planning and accountability.	Council Business	Huw Jones Head of Democratic Services Cllr Ieuan Williams		The Executive 25 January 2016	
2	Business Rates Discretionary Relief Policy for Charities and Non-Profit making Organisations 2016/17 To determine policy.	A collective Executive decision is required to detail business rates relief support for charities and non-profit making organisations.	Resources	Marc Jones Head of Function – Resources / Section 151 Officer Cllr Hywel Eifion Jones		The Executive 25 January 2016	
3	Procurement Strategy and Policy Progress report.	This progress report was requested at the Executive meeting held on 20 April 2015.	Resources	Marc Jones Head of Function - Resources / Section 151 Officer Cllr Hywel Eifion Jones		The Executive 25 January 2016	

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4 Housing Revenue Account 30 year Business Plan (S) Approval.	Decision to be taken by the full Executive. HRA Business Plan is a statutory document. Approval before submitting the Business Plan to Welsh Government.	Community	Shan L Williams Head of Housing Services Cllr Aled Morris Jones		The Executive 25 January 2016	
5 Llawr y Dref, Llangefni – Business Case (S)	The approval of the full Executive is sought as it is a strategic and transformational decision affecting the future use of Llawr y Dref, Llangefni.	Community	Shan L Williams Head of Housing Services Cllr Aled Morris Jones		The Executive 25 January 2016	
6 Schools Modernisation – Strategic Outline Case / Outline Business Case for Bro Rhosyr and Bro Aberffraw Approval.	The approval of the full Executive is sought before submitting the Business Case to Welsh Government.	Lifelong Learning	Delyth Molyneux Head of Learning Cllr Kenneth P Hughes		The Executive 25 January 2016	

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THE EXECUTIVE'S FORWARD WORK PROGRAMME

Period: January – August 2016

Updated 07.12.15

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7	Llangefni Skate Park – Land Lease Agreement To agree to lease the land for 25 years at peppercorn rate	A collective decision is required as it goes against policy.	Sustainable Development	Dylan Williams Head of Economic and Community Regeneration Cllr Ieuan Williams		The Executive 25 January 2016	
FEBRUARY 2016							
8	The Executive's Forward Work Programme (S) Approval of monthly update.	The approval of the full Executive is sought to strengthen forward planning and accountability.	Council Business	Huw Jones Head of Democratic Services Cllr Ieuan Williams		The Executive 8 February 2016	
9	Gypsy Travellers Accommodation Needs Assessment	The approval of the full Executive is sought before submitting the Accommodation Needs Assessment to Welsh Government.	Community	Shan L Williams Head of Housing Services Cllr Aled Morris Jones		The Executive 8 February 2016	
10	Rent and Service Charge for Council Housing Tenants 2016-2017. Approval.	This is a matter for the Executive as it falls within the HRA Business Plan and a statutory duty to agree annual rent and service charges levels.	Community	Shan L Williams Head of Housing Services Cllr Aled Morris Jones		The Executive 8 February 2016	

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Period: January – August 2016

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	4 weeks' notice required before it becomes operational April 2016.					
11	Transformation of the Library Service To decide on a shortlist of options for formal consultation.	Lifelong Learning	Delyth Molyneux Head of Learning Cllr Kenneth P Hughes	1 February 2016	The Executive 8 February 2016	
12	Transformation of the Culture Service To decide on the options to implement following public consultation and expressions of interest.	Lifelong Learning	Delyth Molyneux Head of Learning Cllr Kenneth P Hughes	2 February 2016	The Executive 8 February 2016	
13	Transformation of the Youth Service To decide on the preferred option for implementation following full public consultation.	Lifelong Learning	Delyth Molyneux Head of Learning Cllr Kenneth P Hughes	2 February 2016	The Executive 8 February 2016	

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14	Licensing Policy Approval of policy.	Sustainable Development	Jim Woodcock Head of Planning and Public Protection Cllr Richard Dew		The Executive 8 February 2016	10 March 2016
MARCH 2016						
15	2016/17 Budget (S) Adoption of final proposals for recommendation to the County Council.	Resources	Marc Jones Head of Function – Resources / Section 151 Officer Cllr Hywel Eifion Jones	1 February 2016	The Executive 7 March 2016	10 March 2016
16	Council Tax Premiums for Second Homes and Long Term Empty Property To recommend to Full Council the level of premiums to adopt from April 2017.	Resources	Marc Jones Head of Function – Resources / Section 151 Officer Cllr Hywel Eifion Jones		The Executive 7 March 2016	10 March 2016
17	Application to suspend Right To Buy (RTB) Approval.	Community	Shan L Williams Head of Housing Services Cllr Aled Morris Jones		The Executive 7 March 2016	

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THE EXECUTIVE'S FORWARD WORK PROGRAMME

Period: January – August 2016

Updated 07.12.15

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18	<p>The Executive's Forward Work Programme (S)</p> <p>Approval of monthly update.</p>	The approval of the full Executive is sought to strengthen forward planning and accountability.	Council Business	<p>Huw Jones Head of Democratic Services</p> <p>Cllr Ieuan Williams</p>		The Executive 14 March 2016	
19	<p>Corporate Scorecard – Quarter 3, 2015/16 (S)</p> <p>Quarterly performance monitoring report.</p>	This is a matter for the full Executive as it provides assurance of current performance across the Council.	Corporate Transformation	<p>Scott Rowley Head of Corporate Transformation</p> <p>Cllr Alwyn Rowlands</p>	14 March 2016	The Executive 14 March 2016	
20	<p>2015/16 Revenue and Capital Budget Monitoring Report – Quarter 3 (S)</p> <p>Quarterly financial monitoring report.</p>	This is a matter for the full Executive as it provides assurance of current financial position across the Council.	Resources	<p>Marc Jones Head of Function – Resources / Section 151 Officer</p> <p>Cllr Hywel Eifion Jones</p>	14 March 2016	The Executive 14 March 2016	
21	<p>Discretionary Housing Payments Policy 2016/17</p> <p>Report on administration of policy in 2015/16 and any recommended changes – determine policy.</p>	There is a requirement for a collective decision by the Executive in detailing additional help towards housing costs for some benefit claimants.	Resources	<p>Marc Jones Head of Function – Resources / Section 151 Officer</p> <p>Cllr Hywel Eifion Jones</p>		The Executive 14 March 2016	

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22	Supporting People Commissioning Plan 2016-2019	The approval of the full Executive is sought before submitting the Commissioning Plan to Welsh Government.	Community	Shan L Williams Head of Housing Services Cllr Aled Morris Jones		The Executive 14 March 2016	
23	Common Allocations Policy – Adoption of final policy, post consultation	This is a matter for the full Executive to decide as it involves a key Council policy.	Community	Shan L Williams Head of Housing Services Cllr Aled Morris Jones		The Executive 14 March 2016	
APRIL 2016							
24	The Executive's Forward Work Programme (S) Approval of monthly update.	The approval of the full Executive is sought to strengthen forward planning and accountability.	Council Business	Huw Jones Head of Democratic Services Cllr Ieuan Williams		The Executive 25 April 2016	
MAY 2016							
25	The Executive's Forward Work Programme (S) Approval of monthly update.	The approval of the full Executive is sought to strengthen forward planning and accountability.	Council Business	Huw Jones Head of Democratic Services Cllr Ieuan Williams		The Executive .. May 2016	

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JUNE 2016						
26	The Executive's Forward Work Programme (S) Approval of monthly update.	The approval of the full Executive is sought to strengthen forward planning and accountability.	Council Business	Huw Jones Head of Democratic Services Cllr Ieuan Williams		The Executive .. June 2016
JULY 2016						
27	The Executive's Forward Work Programme (S) Approval of monthly update.	The approval of the full Executive is sought to strengthen forward planning and accountability.	Council Business	Huw Jones Head of Democratic Services Cllr Ieuan Williams		The Executive .. July 2016

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ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	EXECUTIVE COMMITTEE
DATE:	14 DECEMBER 2015
SUBJECT:	TREASURY MANAGEMENT MID-YEAR REVIEW REPORT 2015/16
PORTFOLIO HOLDER(S):	COUNCILLOR H E JONES
HEAD OF SERVICE:	MARC JONES (EXT. 2601)
REPORT AUTHOR:	GARETH ROBERTS
TEL:	01248 752675
E-MAIL:	GarethJRoberts@anglesey.gov.uk
LOCAL MEMBERS:	n/a

A - Recommendation/s and reason/s	
<ul style="list-style-type: none"> To consider the content of the report and forward onto the next meeting of the County Council together with any comments. The report is referred on to the Audit Committee for their review and feedback to the Executive 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. 	
B - What other options did you consider and why did you reject them and/or opt for this option?	
n/a	
C - Why is this decision for the Executive?	
To comply with the scheme of delegation, as set out in the Treasury Management Strategy Statement 2015/16, that was approved by this Council on 26 February 2015.	
CH - Is this decision consistent with policy approved by the full Council?	
Yes	
D - Is this decision within the budget approved by the Council?	
n/a	
DD - Who did you consult?	What did they say?
1 Chief Executive / Strategic Leadership Team (SLT) (mandatory)	
2 Finance / Section 151 (mandatory)	n/a – this is the Section151 Officer's report
3 Legal / Monitoring Officer (mandatory)	
4 Human Resources (HR)	
5 Property	
6 Information Communication Technology (ICT)	
7 Scrutiny	
8 Local Members	
9 Any external bodies / other/s	
E - Risks and any mitigation (if relevant)	
1 Economic	
2 Anti-poverty	
3 Crime and Disorder	
4 Environmental	
5 Equalities	
6 Outcome Agreements	
7 Other	

F - Appendices:

- Appendix 1 - Treasury Management Mid-Year Review Report 2015/16
- 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 2015/16
- Appendix 5 - Credit ratings of investment counterparties and deposits held with each as at 30 September 2015
- Appendix 6 - Equivalent Credit Ratings (Fitch, Moodys, S&P)
- Appendix 7 - Summary of the loans taken out to fund the HRA Settlement
- Appendix 8 - Approved countries for investments

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

- Treasury Management Strategy Statement (TMSS) for 2015/16 that was approved by this Council on 26 February 2015.

1. Introduction

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

Accordingly, treasury management is defined as:-

“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

2. Background

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the full Council of an Annual Treasury Management Strategy Statement, which includes the Annual Investment Strategy and Minimum Revenue Provision Policy for the year ahead, a Mid-year Review Report (this report) and an Annual Report, covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Audit Committee.

This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first six months, and looking forward to the second half, of 2015/16;
- 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 2015/2016;
- A review of the Council's borrowing strategy for 2015/16;
- A review of any debt rescheduling undertaken during 2015/16;
- A summary of activity since Quarter 2;
- A look ahead to next year; and
- A review of compliance with Treasury and Prudential Limits for 2015/16.

3. Economic Update

3.1 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 interest rate forecast:

	Dec 2015	Mar 2016	Jun 2016	Sep 2016	Dec 2016	Mar 2017	Jun 2017
Bank Rate (%)	0.50	0.50	0.75	0.75	1.00	1.00	1.25
5yr PWLB rate (%)	2.30	2.40	2.60	2.70	2.80	2.80	2.90
10yr PWLB rate (%)	2.90	3.00	3.10	3.20	3.30	3.40	3.50
25yr PWLB rate (%)	3.60	3.70	3.80	3.90	4.00	4.10	4.10
50yr PWLB rate (%)	3.50	3.60	3.70	3.80	3.90	4.00	4.00

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

3.3 The Bank rate forecast has remained similar to the forecast at the budget setting period; therefore the projected investment income remains in line with the budget.

4. Treasury Management Strategy Statement and Annual Investment Strategy Update

4.1 The Treasury Management Strategy Statement (TMSS) for 2015/16 was approved by this Council on 26 February 2015. There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position.

5. The Council's Capital Position (Prudential Indicators)

5.1 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;
- Compliance with the limits in place for borrowing activity; and
- HRA Reform.

5.2 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure in comparison to the capital budget.

Capital Expenditure	2015/16 Original Estimate £m	Position as at 30 September 2015 £m	2015/16 Current Estimate £m
Council Fund	23,470	6,835	19,000
HRA	10,260	2,364	7,900
Total	33,730	9,199	26,900

5.2.1 The current estimate for capital expenditure is behind the original estimate mainly due to the anticipated slippage in the two 21st Century Schools projects.

5.3 Changes to the Financing of the Capital Programme

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

5.3.2 The Table below shows the current estimate for the financing of the Capital Programme 2015/16 in comparison to the original forecast. The main difference relates to the forecast underspend in both the 21st Century Schools projects and the Housing Revenue Account projects. The underspend in the 21st Century Schools will result in less Unsupported Borrowing being undertaken and less Grant being received in 2015/16. The forecast underspend in the Housing Revenue Account projects will result in less contribution from Revenue.

Capital Financing	2015/16 Original	2015/16 Revised Estimate £m ('000)
Capital Grants	14,720	11,870
Capital Receipts	4,650	4,650
From Reserves	190	190
Revenue Contribution	7,600	5,240
Supported Borrowing	0	1,215
Unsupported Borrowing	6,570	3,735
Total	33,730	26,900

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

5.4.1 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.

5.4.2 Prudential Indicator – Capital Financing Requirement

5.4.2.1 We are on target to achieve the original forecast Capital Financing Requirement.

5.4.3 Prudential Indicator – External Debt/the Operational Boundary

	2015/16 Original Estimate £m	CFR Position at 30 September 2015 £m
Prudential Indicator – Capital Financing Requirement		
CFR – Council Fund	92,787	87,268
CFR – HRA	43,836	43,367
Total CFR	136,623	130,635
Net movement in CFR	21,863	22,053
	2015/16 Original Estimate £m	Borrowing Position at 30 September 2015 £m
Prudential Indicator – External Debt/the Operational Boundary		
Borrowing	157,000	110,748
Other long term liabilities	3,000	Nil
Total debt 31 March	160,000	110,748

5.5 Limits to Borrowing Activity

5.5.1 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 2015/16. 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.

	2015/16 Original Estimate £m	Position as at 30 September 2015 £m
Gross borrowing	136,623	110,748
Plus other long term liabilities	Nil	Nil
Gross borrowing	136,623	110,748
CFR (year end position)	136,623	n/a

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

- 5.5.3** 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, currently £165m. 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	2015/16 Original Indicator (£m)	Current Borrowing Position as at 30 September 2015 (£m)
Borrowing	162,000	110,748
Other long term liabilities	3,000	Nil
Total	165,000	110,748

5.6 HRA Reform

- 5.6.1** The reform of the HRA subsidy arrangements took place on the 2nd April 2015. It involved the Council paying funds to the Welsh Government to remove the Council from the HRA subsidy system, and the payment made was £21.1m. 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). The borrowing for this was made on the 2nd April 2015 through the Public Works Loan Board. A breakdown of the borrowing can be seen in Appendix 7.

6. Investment Portfolio 2015/16

- 6.1** 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 3, 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. The continuing potential for a re-emergence of a 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.
- 6.2** The Council held £26.0m of investments as at 30 September 2015 (£11.0m at 31 March 2015) and the investment portfolio yield for the first six months of the year was 0.38%. A full list of investments as at 30th September 2015 can be found in Appendix 5. A summary of the investments and rates can be found in Appendix 4.
- 6.3** The approved limits within the Annual Investment Strategy were not breached during the first six months of 2015/16.
- 6.4** The Council's budgeted investment return for 2015/16 is £0.1m and performance for the year to date is in line with the budget, with £0.048m received to the end of Quarter 2.

6.5 Investment Counterparty criteria

- 6.5.1** The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. Commencing in 2015, in response to the evolving regulatory regime, all three agencies have begun removing these "uplifts" with the timing of the process determined by regulatory progress at the national level. The process has been part of a wider reassessment of methodologies by each of the rating agencies. In addition to the removal of implied support, new methodologies are now taking into account additional factors, such as regulatory capital levels. In some cases, these factors have "netted" each other off, to leave underlying ratings either unchanged or little changed. A consequence of the new methodologies is that they have also lowered the importance of the (Fitch) Support and Viability ratings and have seen the (Moody's) Financial Strength rating withdrawn by the agency.

In keeping with the agencies' new methodologies, the credit element of our own credit assessment process now focuses solely on the Short and Long Term ratings of an institution. While this is the same process that has always been used by Standard & Poor's, this has been a change to the use of Fitch and Moody's ratings. It is important to stress that the other key elements to our process, namely the assessment of Rating Watch and Outlook information as well as the Credit Default Swap (CDS) overlay have not been changed.

The evolving regulatory environment, in tandem with the rating agencies' new methodologies also means that sovereign ratings are now of lesser importance in the assessment process. Where through the crisis, clients typically assigned the highest sovereign rating to their criteria the new regulatory environment is attempting to break the link between sovereign support and domestic financial institutions. While this authority understands the changes that have taken place, it will continue to specify a minimum Short Term sovereign rating of F1 (Fitch), P-1 (Moody's), A-1 (Standard & Poor's), and a minimum Long Term sovereign rating of A (Fitch), A2 (Moody's) and A (Standards & Poor). This is in relation to the fact that the underlying domestic and where appropriate, international, economic and wider political and social background will still have an influence on the ratings of a financial institution.

It is important to stress that these rating agency changes do not reflect any changes in the underlying status or credit quality of the institution, merely a reassessment of their methodologies in light of enacted and future expected changes to the regulatory environment in which financial institutions operate. While some banks have received lower credit ratings as a result of these changes, this does not mean that they are suddenly less credit worthy than they were formerly. Rather, in the majority of cases, this mainly reflects the fact that implied sovereign government support has effectively been withdrawn from banks. They are now expected to have sufficiently strong balance sheets to be able to withstand foreseeable adverse financial circumstances without government support. In fact, in many cases, the balance sheets of banks are now much more robust than they were before the 2008 financial crisis when they had higher ratings than now. However, this is not universally applicable, leaving some entities with modestly lower ratings than they had through much of the "support" phase of the financial crisis.

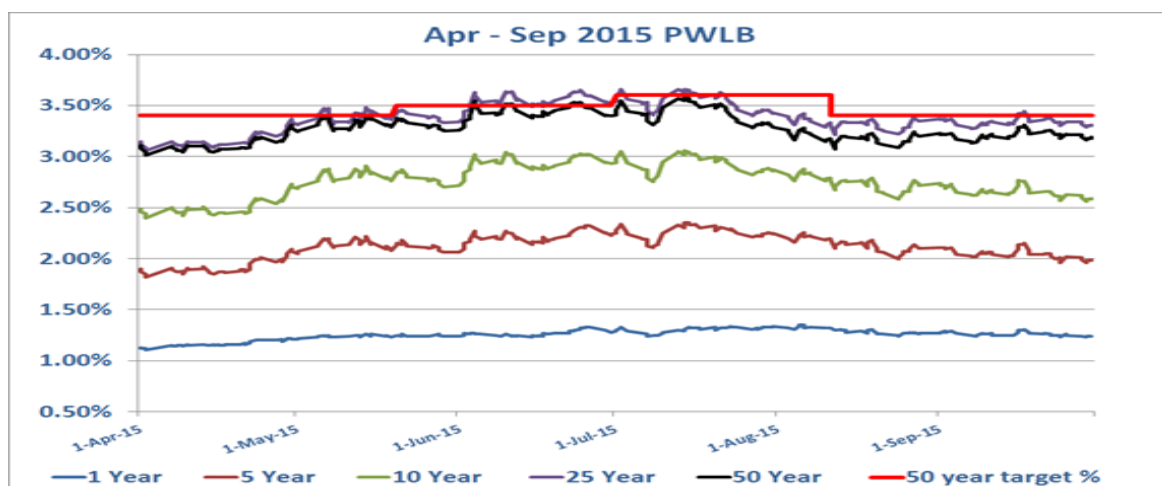
- 6.6** During the first six months of 2015/16, a fixed term investment was made with Nationwide Building Society for £5m at a rate of 0.5% for 3 months (18/08/15 – 17/11/15).

7. Borrowing

- 7.1** The projected capital financing requirement (CFR) for 2015/16 is £130.6m. 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 £110.7m and will have used £19.9m 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.
- 7.2** Due to the HRA Settlement, new external borrowing of £21.169m was undertaken from the PWLB on 02/04/2015. These were taken out at different rates and for different period and amounts, and can be summarised in the table in Appendix 7.
- 7.3** It is anticipated that no further borrowing will be undertaken during this financial year.
- 7.4** The graph and table below show the movement in PWLB certainty rates (which is when the government has reduced by 20 basis points (0.20%) the interest rates on loans to principal local authorities (including the Isle of Anglesey County Council) who provide information as required on their plans for long-term borrowing and associated capital spending) for the first six months of the year to date:

PWLB certainty rates 1 April 2015 to 30 September 2015

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.11%	1.82%	2.40%	3.06%	3.01%
Date	02/04/2015	02/04/2015	02/04/2015	02/04/2015	02/04/2015
High	1.35%	2.35%	3.06%	3.66%	3.58%
Date	05/08/2015	14/07/2015	14/07/2015	02/07/2015	14/07/2015
Average	1.26%	2.12%	2.76%	3.39%	3.29%



8. Debt Rescheduling

8.1 No debt rescheduling was undertaken during the first six months of 2015/16. An exercise was undertaken to determine if it would be worthwhile to reschedule some of the debt, however, it would not be cost effective as a premium charge will occur on all premature repayment of loan which is greater than the savings in interest payments that would be achieved.

9. Activity since Quarter Two

9.1 In addition to the normal transfers between call accounts designed to maximize Investment Income, since Quarter 2 the fixed term investment made with Nationwide Building Society for £5m at a rate of 0.5% matured on 17/11/15. This investment was rolled over with Nationwide Building Society for a further 3 months until 16/02/16 at a rate of 0.51%.

10. Plans for next year

10.1 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 required sum from the available general supported borrowing allocation of £2.189m (£2.189m 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.

11. Recommendation

11.1 To consider the content of the report and forward onto the next meeting of the County Council together with any comments.

11.2 The report is referred on to the Audit Committee for their review and feedback to the Executive.

Perfformiad Economaidd hyd yma a'r rhagolygiad/ Economic performance to date and outlook

1. U.K.

UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again, possibly being equal to that of the US. However, quarter 1 of 2015 was weak at +0.4% though there was a rebound in quarter 2 to +0.7%. The Bank of England's August Inflation Report included a forecast for growth to remain around 2.4 – 2.8% over the next three years. However, the subsequent forward looking Purchasing Manager's Index, (PMI), surveys in both September and early October for the services and manufacturing sectors showed a marked slowdown in the likely future overall rate of GDP growth to about +0.3% in quarter 4 from +0.5% in quarter 3. This is not too surprising given the appreciation of Sterling against the Euro and weak growth in the EU, China and emerging markets creating headwinds for UK exporters. Also, falls in business and consumer confidence in September, due to an increase in concerns for the economic outlook, could also contribute to a dampening of growth through weakening investment and consumer expenditure. For this recovery to become more balanced and sustainable in the longer term, the recovery still needs to move away from dependence on consumer expenditure and the housing market to manufacturing and investment expenditure. The strong growth since 2012 has resulted in unemployment falling quickly over the last few years although it has now ticked up recently after the Chancellor announced in July significant increases planned in the minimum (living) wage over the course of this Parliament.

The MPC has been particularly concerned that the 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. It has therefore been encouraging in 2015 to see wage inflation rising significantly above CPI inflation which slipped back to zero in June and again in August. However, with the price of oil taking a fresh downward direction and Iran expected to soon rejoin the world oil market after the impending lifting of sanctions, there could be several more months of low inflation still to come, especially as world commodity prices have generally been depressed by the Chinese economic downturn. The August Bank of England Inflation Report forecast was notably subdued with inflation barely getting back up to the 2% target within the 2-3 year time horizon. Despite average weekly earnings ticking up to 2.9% y/y in the three months ending in July, (as announced in mid-September), this was unlikely to provide ammunition for the MPC to take action to raise Bank Rate soon as labour productivity growth meant that net labour unit costs appeared to be only rising by about 1% y/y. However, at the start of October, statistics came out that annual labour cost growth had actually jumped sharply in quarter 2 from +0.3% to +2.2%: time will tell if this is just a blip or the start of a trend.

There are therefore considerable risks around whether inflation will rise in the near future as strongly and as quickly as previously expected; this will make it more difficult for the central banks of both the US and the UK to raise rates as soon as had previously been expected, especially given the recent major concerns around the slowdown in Chinese growth, the knock on impact on the earnings of emerging countries from falling oil and commodity prices, and the volatility we have seen in equity and bond markets in 2015 so far, which could potentially spill over to impact the real economies rather than just financial markets. On the other hand, there are also concerns around the fact that the central banks of the UK and US have few monetary policy options left to them given that central rates are near to zero and huge QE is already in place. There are therefore arguments that they need to raise rates sooner, rather than later, so as to have ammunition to use if there was a sudden second major financial crisis. But it is hardly likely that they would raise rates until they are sure that growth was securely embedded and 'noflation' was not a significant threat.

The forecast for the first increase in Bank Rate has therefore progressively been pushed back during 2015 from Q4 2015 to Q2 2016 and increases after that will be at a much slower pace, and to much 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 Government's revised Budget in July eased the pace of cut backs from achieving a budget surplus in 2018/19 to achieving that in 2019/20.

2. U.S.

GDP growth in 2014 of 2.4% was followed by first quarter 2015 growth depressed by exceptionally bad winter weather at only +0.6% (annualised). However, growth rebounded very strongly in Q2 to 3.9% (annualised) and strong growth was initially expected going forward. Until the turmoil in financial markets in August caused by fears about the slowdown in Chinese growth, it had been strongly expected that the Fed. might start to increase rates in September. However, the Fed pulled back from that first increase due to global risks which might depress US growth and put downward pressure on inflation, and due to a 20% appreciation of the dollar which has caused the Fed to lower its growth forecasts. Since then the nonfarm payrolls figures for September and revised August, issued on 2 October, were disappointingly weak and confirmed concerns that US growth is likely to significantly weaken. This has pushed back expectations of the first rate increase from 2015 into 2016.

3. Eurozone

The ECB fired its big bazooka by announcing a massive €1.1 trillion programme of quantitative easing in January 2015 to buy up high credit quality government debt of selected EZ countries. This programme started in March and will run to September 2016. This seems to have already had a beneficial impact in improving confidence and sentiment. There has also been a continuing trend of marginal increases in the GDP growth rate which hit 0.4% in quarter 1 2015 (1.0% y/y) and +0.4%, (1.5% y/y) in Q2 GDP. The ECB has also stated it would extend its QE programme if inflation failed to return to its target of 2% within this initial time period.

Greece. During July, Greece finally capitulated to EU demands to implement a major programme of austerity and is now cooperating fully with EU demands. An €86bn third bailout package has since been agreed though it did nothing to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the resistance of the Syriza Government, elected in January, to EU demands. The surprise general election in September gave the Syriza government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so Greek exit from the euro may only have been delayed by this latest bailout.

4. China and Japan

Japan is causing considerable concern as the increase in sales tax in April 2014 has suppressed consumer expenditure and growth. In Q2 2015 growth was -1.6% (annualised) after a short burst of strong growth of 4.5% in Q1. During 2015, Japan has been hit hard by the downturn in China. This does not bode well for Japan as the Abe government has already fired its first two arrows to try to stimulate recovery and a rise in inflation from near zero, but has dithered about firing the third, deregulation of protected and inefficient areas of the economy, due to political lobbies which have traditionally been supporters of Abe's party.

As for China, the Government has been very active during 2015 in implementing several stimulus measures to try to ensure the economy hits the growth target of 7% for the current year and to bring some stability after the major fall in the onshore Chinese stock market. Many commentators are concerned that recent growth figures around that figure, could have been massaged to hide a downturn to a lower growth figure. 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. Overall, China is still expected to achieve a growth figure that the EU would be envious of. However, concerns about whether the Chinese cooling of the economy could be heading for a hard landing, and the volatility of the Chinese stock market, have caused major volatility in financial markets in August and September such that confidence is, at best, fragile.

5. Emerging countries

There are considerable concerns about the vulnerability of some emerging countries and their corporates which are getting caught in a perfect storm. Having borrowed massively in western currency denominated debt since the financial crisis, caused by western investors searching for yield by channelling investment cash away from western economies with dismal growth, depressed bond yields (due to QE), and near zero interest rates, into emerging countries, there is now a strong current flowing to reverse that flow back to those western economies with strong growth and an imminent rise in interest rates and bond yields. This change in investors' strategy and the massive reverse cash flow, has depressed emerging country currencies and, together with a rise in expectations of a start to central interest rate increases in the US and UK, has helped to cause the dollar and sterling to appreciate. In turn, this has made it much more costly for emerging countries to service their western currency denominated debt at a time when their earnings from commodities are depressed. There are also going to be major issues when previously borrowed debt comes to maturity and requires refinancing at much more expensive rates, if available at all.

Corporates (worldwide) heavily involved in mineral extraction and / or the commodities market may also be at risk and this could also cause volatility in equities and safe haven flows to bonds. Financial markets may also be buffeted by sovereign wealth funds of countries highly exposed to falls in commodity prices which, therefore, may have to liquidate investments in order to cover national budget deficits.

Rhan o gyngor dderbyniwyd gan / An extract from advice received from: Capita Asset Services

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

The Councils treasury advisors undertook its last review of interest rate forecasts on 11 August shortly after the quarterly Bank of England Inflation Report. Later in August, fears around the slowdown in China and Japan caused major volatility in equities and bonds and sparked a flight from equities into safe havens like gilts and so caused PWLB rates to fall below the above forecasts for quarter 4 2015. However, there is much volatility in rates as news ebbs and flows in negative or positive ways and news in September in respect of Volkswagen, and other corporates, has compounded downward pressure on equity prices. This latest forecast includes a first increase in Bank Rate in quarter 2 of 2016.

Despite market turbulence since late August causing a sharp downturn in PWLB rates, the overall trend in the longer term will be for gilt yields and PWLB rates to rise when economic recovery is firmly established accompanied by rising inflation and consequent increases in Bank Rate, and the eventual unwinding of QE. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently evenly balanced. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

The disappointing US nonfarm payrolls figures and UK PMI services figures at the beginning of October have served to reinforce a trend of increasing concerns that growth is likely to be significantly weaker than had previously been expected. This, therefore, has markedly increased concerns, both in the US and UK, that growth is only being achieved by monetary policy being highly aggressive with central rates at near zero and huge QE in place. In turn, this is also causing an increasing debate as to how realistic it will be for central banks to start on reversing such aggressive monetary policy until such time as strong growth rates are more firmly established and confidence increases that inflation is going to get back to around 2% within a 2-3 year time horizon. Market expectations in October for the first Bank Rate increase have therefore shifted back sharply into the second half of 2016.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:-

- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows;
- UK economic growth turns significantly weaker than we currently anticipate;
- Weak growth or recession in the UK's main trading partners - the EU, US and China;
- A resurgence of the Eurozone sovereign debt crisis;
- Recapitalisation of European banks requiring more government financial support;
- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or the start of Fed. rate increases, causing a flight to safe havens.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include:-

- Uncertainty around the risk of a UK exit from the EU;
- The ECB severely disappointing financial markets with a programme of asset purchases which proves insufficient to significantly stimulate growth in the EZ;
- The commencement by the US Federal Reserve of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities;
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

Crynodeb Benthycyca a Buddsoddi – Chwarteroedd 1 a 2 2015/16
Borrowing and Investment Summary – Quarters 1 and 2 2015/16

	30 Medi / Sept 2015		30 Mehefin / June 2015	
	£m	% (paid on borrowing and received on investment)	£m	% (paid on borrowing and received on investment)
Benthycyca – graddfa sefydlog Borrowing – fixed rate	110.7	5.42	110.7	5.42
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	21.0	0.36	25.0	0.34
Adneuon – Tymor sefydlog < 1 bl. Deposits – Fixed Term < 1 year	5.0	0.5	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	26.0	0.38	25.0	0.34
Cyfartaledd Adneuon yn y Chwarter Highest Deposits in the Quarter	33.4	d/b / n/a	32.0	d/b / n/a
Cyfartaledd Adneuon yn y Chwarter Lowest Deposits in the Quarter	25.5	d/b / n/a	11.0	d/b / n/a
Cyfartaledd Adneuon yn y Chwarter Average Deposits in the Quarter	28.0	0.34	26.5	0.34

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 2015*
Credit ratings of investment counterparties and deposits held with each as at 30 September 2015*

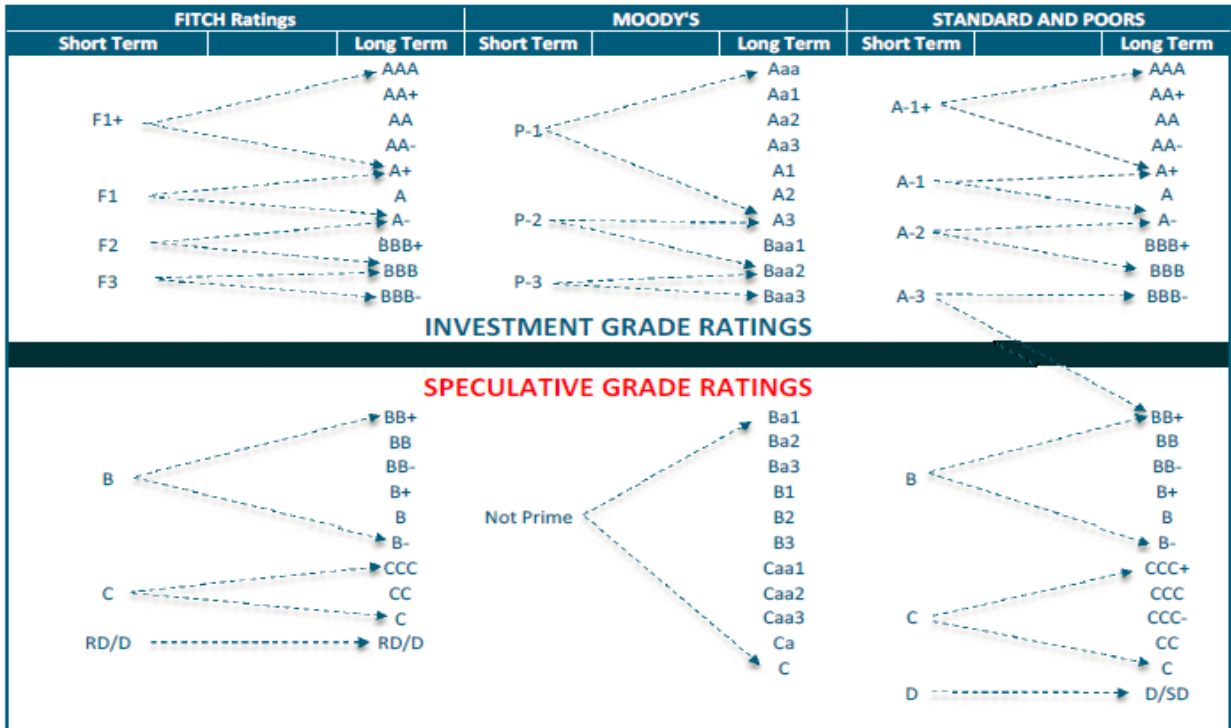
Grŵp Bancio/ Banking Group	Sefydliad/ Institution	Adneuron / Deposit £'000	Hyd (Galw tymor sefydlog) / Duration (Call / Fixed Term**)	Cyfnod (O/I)/ Period (From / To)	Graddfa Dychweliad/ Rate of Return %	Graddfa Tymor Hir Fitch Long Term Rating	Graddfa Tymor Byr Fitch Short Term Rating	Graddfa Tymor 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	7,488	Galw/ Call	n/a	0.40	A+	F1	A1	P-1	A	A-1	Coch - 6 mis/ Red - 6 months
HSBC Holdings plc	HSBC Bank plc	500	Galw/ Call	n/a	0.25	AA-	F1+	Aa2	P-1	AA-	A-1+	Oren - 12 mis / Orange - 12months
Santander Group plc	Santander UK plc	7,198	Galw/ Call	n/a	0.40	A	F1	A1	P-1	A	A-1	Coch - 6 mis/ Red - 6 months
The Royal Bank of Scotland Group plc	The Royal Bank of Scotland plc	5,789	Galw/ Call	n/a	0.25	BBB+	F2	A3	P-2	BBB+	A-2	Glas - 12 mis / Blue - 12 months
Nationwide Building Society	Nationwide Building Society	5,000	Fixed Term	18/08/2015 - 17/11/2015	0.50	A	F1	A1	P-1	A	A-1	Coch - 6 mis/ Red - 6 months

* Ceir y Rhestr Benthycu Cymeradwyedig yn Atodiad 6 o'r Datganiad Strategaeth Rheoli Trysorlys 2015/16/Strategaeth Buddsoddi Blynyddol/The Approved Lending List can be found at Appendix 6 of the 2015/16 Treasury Management Strategy Statement / Annual Investment Strategy

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

- Yn Atodiad 5 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)



1. This comparison highlights the differences and similarities in the use of nomenclature between the rating agencies
2. The lines linking the short-term and long-term indicate normal (although not absolute) relationships between the two rating scales at each agency

**CRYNODEB OR BENTHYCIADAU A GYMERWYD AR GYFER Y SETLIAD CRT
SUMMARY OF THE LOANS TAKEN OUT TO FUND THE HRA SETTLEMENT**

Date of Loan	Maturity Date	Interest Rate %	Amount (£)
02/04/2015	01/04/2026	3.67	527,601.00
02/04/2015	01/04/2027	3.73	490,601.00
02/04/2015	01/04/2028	3.80	262,440.00
02/04/2015	01/04/2029	3.85	684,697.00
02/04/2015	01/04/2030	3.91	450,706.00
02/04/2015	01/04/2031	3.96	660,449.00
02/04/2015	01/04/2032	4.01	314,886.00
02/04/2015	01/04/2033	4.05	636,565.00
02/04/2015	01/04/2034	4.09	623,834.00
02/04/2015	01/04/2035	4.13	611,357.00
02/04/2015	01/04/2036	4.16	599,130.00
02/04/2015	01/04/2037	4.18	587,147.00
02/04/2015	01/04/2038	4.20	225,467.00
02/04/2015	01/04/2042	4.25	999,781.00
02/04/2015	01/04/2043	4.25	1,020,120.00
02/04/2015	01/04/2044	4.25	1,009,718.00
02/04/2015	01/04/2045	4.25	11,464,215.00
			<u>21,168,714.00</u>

Approved countries for investments

Based upon lowest available sovereign credit rating

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- Hong Kong
- Netherlands
- U.K.
- U.S.A.

AA

- Abu Dhabi (UAE)
- Qatar

AA-

- Belgium
- France
- Saudi Arabia

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	THE EXECUTIVE
Date:	14 December, 2015
Subject:	Scrutiny Outcome Panel: Disposal of Assets – FINAL REPORT
Portfolio Holder(s):	Councillor J Arwel Roberts
Head of Service:	Not Applicable
Report Author: Tel: E-mail:	Scrutiny Outcome Panel of the Corporate Scrutiny Committee care of: Anwen Davies, Interim Scrutiny Manager AnwenDavies@anglesey.gov.uk
Local Members:	Not Applicable

A –Recommendation/s and reason/s
<p>1. BACKGROUND</p> <p>1.1 Whilst considering a report by the Interim Head of Function (Resources) on monitoring the 2014/15 budget, the Corporate Scrutiny Committee¹ resolved to establish a panel to examine the approach to disposal of the smallholdings portfolio and other assets. Concerns were raised in particular about the process of selling assets – with particular reference to the fact that the Authority may not be selling assets quickly enough;</p> <p>1.2 The Panel began its work in early July, 2015. There was significant delay before the Scrutiny Outcome Panel convened for the first time due to a combination of different factors. It had been necessary to postpone two meetings of the Panel scheduled to take place on 13/10/14 and 18/12/14 due to the significant number of apologies received. It is fair to say that sickness absence in the Democratic Services Unit also influenced the timeframe and progress with this work-stream.</p> <p>2. METHODOLOGY, SCOPE AND OBJECTIVES</p> <p>2.1 Methodology – the review was structured in accordance with the Authority’s policy framework² which included the development of a scrutiny project plan using some elements of Project Management methodology (<i>PRINCE 2</i>) in order to ensure robustness to the structure of the review by the Panel. A total of 9 meetings of the Panel were held over a period of 4 months (between July and November, 2015);</p>

¹ Corporate Scrutiny Committee at its meeting held on 1 September 2014.

² Handbook for Scrutiny Members

2.2 Inputs: there had been inputs from the following officers during the review:

- Head of Service (Highways, Waste & Property);
- Principal Valuation Officer;
- Head of Function (Transformation);
- Corporate Asset Transformation Manager;
- Interim Head of Function (Resources)/Section 151 Officer;
- Accountancy Services Manager;
- Revenue and Benefits Service Manager.

2.3 Scope and Objectives: the Panel proceeded to look in greater detail at the Council's asset disposal arrangements by concentrating on the:

- Authority's current arrangements for disposal of assets;
- Review of the Council's Smallholdings 5 Year Development Programme (from Summer, 2016);
- Smarter Working Business Case: extracts relevant to disposal of assets;
- Draft Corporate Asset Management Plan for Land & Buildings.

2.4 Panel Membership:

- Cllrs R Meirion Jones (Chair), Llinos Medi Huws, Jim Evans & Raymond Jones;
- Dewi R Williams, Head of Service (Highways, Waste & Property);
- T Dylan Edwards, Principal Valuation Officer;
- Anwen Davies, Interim Scrutiny Manager.

2.5 Additional observations from the Panel: in reflecting on the journey of the last 4 months, the Panel noted some observations at their last meeting (11/11/15):

- Whilst fully recognizing that there was considerable duplication between the contents of the Panel meetings' minutes and the final report, it was the clear view of the Elected Members that they be included as an addendum to the report when it was published on the Council's website at the end of the calendar year. Members noted that this should only be the case on this occasion in order to highlight the workload and directly evidence the added value of the Scrutiny function to the Council's decision-making and policy development processes;
- The enclosed report by the Disposal of Assets Scrutiny Panel should set a basis and precedent for working practice, inputs and presentation format of the final reports of the Council's other scrutiny panels to the future;
- It was the intention of the Panel to reconvene in 9 months time (September, 2016) in order to monitor progress with the revision of the Asset Management Policy and Procedures Document and also to examine the Council's Smallholdings Development Programme.

3. PANEL CONCLUSIONS AND RECOMMENDATIONS

The Panel came to 6 main conclusions:

- 3.1 CONCLUSION 1:** The need to ensure an up-to-date Asset Management Policy and Procedures document as a sound basis for the work of the Council;
- 3.2 CONCLUSION 2:** The importance of ensuring a system of regular reporting by the Finance Function on rent arrears and related issues;
- 3.3 CONCLUSION 3:** The need to ensure an extension to the Development Programme for the Council's Smallholdings Estate;
- 3.4 CONCLUSION 4:** Recognise the contribution of the Smarter Working work-stream to asset disposal;
- 3.5 CONCLUSION 5:** The need for pre-decision scrutiny of the draft Corporate Asset Management Plan for Land and Buildings (before consideration by the Executive);
- 3.6 CONCLUSION 6:** An audit of the Authority's assets/property inventory to scrutinize the implementation of the Asset Management Policy and Procedures.

The attached Final Report (APPENDIX 1) details the considerations and observations of the Panel together with the 25 individual recommendations agreed by the Panel.

4. TIMELINE FOR REMAINING MILESTONES OF PROCESS

DATE	MILESTONE
14/12/15	The Executive – accept the Final Report with a recommendation to approve the 6 main conclusions and the 25 individual recommendations.
End of December, 2015	Publication of Final Report – on the Council's website.

5. RECOMMENDATIONS

The Executive is requested to:

- 5.1 Approve the Final Report together with its 6 main conclusions and 25 individual recommendations;**
- 5.2 Note that this Final Report is to establish the basis and precedent for working practice, inputs and presentation format of final reports in respect of other scrutiny panels to the future;**
- 5.3 Note the intention of the Panel to reconvene in 9 months time (September, 2016) in order to monitor progress with the revision of the Asset Management Policy and Procedures Document and also to examine the Council's**

Smallholdings Development Programme.

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 Executive?
 In accordance with the Scrutiny Procedure Rules as contained in the Council’s Constitution.

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

D – Is this decision within the budget approved by the Council?
 Not known.

DD – Who did you consult?	What did they say?
1	<p>Chief Executive / Strategic Leadership Team (SLT) (mandatory)</p> <p>The Final Report of the Scrutiny Outcome Panel was considered by the Senior Leadership Team at its meeting on 23/11/15 and the following observations were submitted:</p> <ul style="list-style-type: none"> i. Accept the contents of the report by the Scrutiny Outcome Panel. Note recommendation 6.1 and support the Members to come to a decision regarding which panels would need to be task and finish groups and which should be permanent panels; ii. CONCLUSION 1: accept the need to ensure an up-to-date Asset Management Policy and Procedures document; iii. CONCLUSION 2: ensuring a system of regular reporting by the Finance Function on rent arrears and related issues would receive attention as part

		<p>iv. of officers' work programmes; CONCLUSION 3: acknowledge that an extension to the Development Programme for the Council's Smallholdings Estate had been approved by the Executive on 20/07/15;</p> <p>v. CONCLUSION 4: note the observations of the Panel on the Smarter Working work-stream;</p> <p>vi. CONCLUSION 5: note the observations of the Scrutiny Panel on the draft Corporate Asset Management Plan for Land and Buildings;</p> <p>vii. CONCLUSION 6: the Senior Leadership Team would look at the best means of reporting on asset disposal to Members.</p>
2	Finance / Section 151 (mandatory)	The Interim Head of Function (Resources)/ S151 Officer and Service Manager Revenues & Benefits contributed to Meeting 6 of the Scrutiny Outcome Panel (convened 29/09/15) and were consulted on the draft Panel report.
3	Legal / Monitoring Officer (mandatory)	No observations.
4	Human Resources (HR)	Not Applicable.
5	Property	The Head of Service (Highways, Waste & Property) and the Principal Valuation Officer were core members of the Scrutiny Outcome Panel. The Service were consulted on the content of the Panel's draft report and their observations have been reflected in the final report of the Scrutiny Outcome Panel.
6	Information Communication Technology (ICT)	No observations.
7	Scrutiny	In considering a revenue budget monitoring report by the Interim Head of Function (Resources)/S151 Officer, the Corporate Scrutiny Committee (01/09/14) resolved to establish this Scrutiny Outcome Panel to examine the approach to disposal of the smallholdings portfolio and other assets. Specific concerns had been raised about the process of selling assets – with particular reference to the fact that the Authority may

		<p>not be selling assets quickly enough.</p> <p>The Corporate Scrutiny Committee considered the report at its meeting on 01/12/15 and resolved as follows:</p> <ol style="list-style-type: none"> 1. Approve the Final Report together with its 6 main conclusions and 25 individual recommendations; 2. That the Final Report be submitted to The Executive at its meeting on 14 December, 2015; 3. Minutes of all meetings of the Scrutiny Outcome Panel be included as an addendum to the Final Report when it is published on the Council's website at the end of the calendar year and only on this occasion; 4. That this Final Report should establish the basis and precedent for working practice, inputs and presentation format of final reports in respect of other scrutiny panels to the future; 5. Note the intention of the Panel to reconvene in 9 months time (September, 2016) in order to monitor progress with the revision of the Asset Management Policy and Procedures Document and also to examine the Council's Smallholdings Development Programme.
8	Local Members	Not Applicable.
9	Any external bodies / other/s	Significant unsuccessful efforts were made on behalf of the Scrutiny Panel to seek an expert, external and impartial input on the current version of the Asset Management Policy & Procedures document (paragraph 3.3.1 of the Final Report refers).

E – Risks and any mitigation (if relevant)		
1	Economic	Not Applicable.
2	Anti-poverty	Not Applicable.
3	Crime and Disorder	Not Applicable.
4	Environmental	Not Applicable.
5	Equalities	Not Applicable.
6	Outcome Agreements	Not Applicable.
7	Other	Not Applicable.

F - Appendices:

Scrutiny Outcome Panel: Disposal of Assets – Final Report.

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

Chair of the Scrutiny Outcome Panel c/o Anwen Davies, Interim Scrutiny Manager, Isle of Anglesey County Council, Council Offices, Llangefni. LL77 7TW.



**SCRUTINY OUTCOME PANEL:
DISPOSAL OF ASSETS
FINAL REPORT**



“It has been identified that a poor fit between service requirements and the property asset from which it is delivered is a risk to the Authority. If the asset does not support service delivery it will detract from the Council’s services to its citizens”

[Public Sector Asset Management Guide to Best Practice]

Corporate Scrutiny Unit

November, 2015

Acknowledgements

We would like to thank the following who gave freely of their time during this review. Their engagement, participation and contributions facilitated the task to hand thus making it possible for the Panel to complete the appraisal within timescale. We would also wish to acknowledge the fact that we were given unlimited access to all data sources, literature and documentation thus enabling a full and comprehensive review of the key elements of the Council's disposal of assets:

- Dewi R Williams, Head of Service (Highways, Waste & Property);
- T Dylan Edwards, Principal Valuation Officer;
- Chris Staddon, Corporate Assets Transformation Manager;
- Richard Micklewright, Interim Head of Function (Resources)/Section 151 Officer;
- Bethan Hughes Owen, Accountancy Services Manager;
- Geraint H Jones, Revenues & Benefits Service Manager.

Why this matters?



Councillor R Meirion Jones

Foreword by the Panel Chair

I am sure that all of us as Members and Officers realise the importance of our assets and how they are part of the system of delivering services.

I refer to the quotation on the cover of this report. As the Scrutiny Outcome Panel: Disposal of Assets, we tried our best, with Officers' support, to discuss the various aspects of the quotation and having analysed in detail we submit our findings, conclusions and recommendations. I hope our work will be accepted by the Executive Committee to assist Isle of Anglesey County Council in moving ahead.

I believe we have carried out useful work which is relevant to the Corporate Plan. By focusing on the Customer, the Citizen and the Community the Council promises to "...explore the quality of the buildings in which customers receive their service, aiming to achieve a consistent standard across the Council that presents the right image for the services available..."¹

The Annual Scrutiny Report (May, 2015) refers to the Williams Report and the requirement to "acknowledge the importance and value of scrutiny in improving services for people and organisations..." The Williams Report makes a number of supporting statements to the scrutiny procedure including "Organisations must regard scrutiny as an investment to deliver improvements and future savings". I hope our work on the matter through this report contributes to the "value of scrutiny" and those "improvements".

As the Chair, it is encouraging to receive a positive and affirmative comment from an Officer on the Panel's work, even before the work has ended and before issuing the final report! It was said that the Panel's work had been the catalyst to recommencing an arrangement of regular meetings between Property and Finance Officers (see Recommendation 2.4).

As a Panel we have reached the conclusion that we have officers who carry out the work in a conscientious and professional manner and we have faith in their ability and professionalism.

I wish to thank the Panel Members sincerely for their contributions in time and commitment and for their comments, and to the Panel Officer for her thorough and timely work.

¹ Isle of Anglesey County Council Corporate Plan 2013-2017

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APPENDIX

Terms of Reference: Scrutiny Outcome Panel

APPENDIX 1

1. EXECUTIVE SUMMARY

1.1 Objectives and Scope of the Review

To look in greater detail at the Council's asset disposal arrangements with the following outcomes stated by the Panel to underpin their evaluation:

- i. Amended Asset Management Policy and Procedures for the Council;
- ii. Ensure a regular reporting procedure by the Finance Function on rent arrears and related matters;
- iii. Recommend that the Council extends the Smallholdings Development Programme for an additional year (ending in March, 2017);
- iv. Pre-decision scrutiny on the draft Corporate Asset Management Plan for Land and Buildings (before consideration by the Executive).

1.2 Methodology/Evidence/Inputs considered.

The review was structured in accordance with the policy framework as contained in the Handbook for Scrutiny Members. This included a scrutiny project plan using some elements of Project Management methodology (*PRINCE2*) in order to ensure robustness to the structure of the review by the Panel. A total of 9 meetings of the Panel were held over a period of 4 months (between July and November, 2015).

1.3 Membership of the Scrutiny Outcome Panel

- Councillor R. Meirion Jones (Chair);
- Councillor Llinos Medi Huws²;
- Councillor Jim Evans;
- Councillor Raymond Jones;
- Dewi Williams, Head of Service (Highways, Waste & Property);
- T Dylan Edwards, Principal Valuation Officer;
- Anwen Davies, Interim Corporate Scrutiny Manager.

1.4 Conclusions

CONCLUSION 1: The need to ensure an up-to-date Asset Management Policy and Procedures document as a sound basis for the work of the Council.

CONCLUSION 2: The importance of ensuring a system of regular reporting by the Finance Function on rent arrears and related issues.

CONCLUSION 3: The need to ensure an extension to the Development Programme for the Council's Smallholdings Estate.

CONCLUSION 4: Recognise the contribution of the Smarter Working work-stream to asset disposal.

CONCLUSION 5: The need for pre-decision scrutiny of the draft Corporate Asset Management Plan for Land and Buildings (before consideration by the Executive).

CONCLUSION 6: An audit of the Authority's assets/property inventory to scrutinise the implementation of the Asset Management Policy and Procedures.

² Replaced Cllr. Peter Rogers

1.5 Recommendations

The Panel recommends the following to the Executive:

The need to ensure an updated Asset Management Policy and Procedures Document as a sound basis to the Council's work

POLICY SECTION	RECOMMENDATION
Disposal and Letting of Assets	Revise the Council's Asset Management Policy and Procedures: <ul style="list-style-type: none"> • To reflect the new structure of the Heads of Service; • Financial thresholds and marketing and disposal methods (to reflect the current market practice) – in order to simplify and standardise the process.
Property Purchases	Review the Policy to reflect the fact that it was no longer required to submit the details of all the properties purchased as information to the Executive Committee.
-----	Ensure the best price and value as a matter of procedure using professional opinion.
Disposal and Letting of Assets, Property Purchases	Review the following elements of the Policy Document in order to strike a balance between enabling officers to act on the basis of their professional opinion and securing the best price for the Council: <ul style="list-style-type: none"> • Financial thresholds; • Reflecting current practice in disposing of assets
Disposal and Letting of Assets, Lease Management/ Property Mangt	After considering the need to further continue with the practice of ensuring input from Local Members on property disposal matters, the Members' input for the future should be redefined with the aim of only sharing information at the beginning of the process (rather than consultation). This sharing of information to happen through e-mail.
Transfer of Assets	<ul style="list-style-type: none"> • Redraft Section 7 of the document in order to ensure consistency with the remainder of the Policy Document and also create a statement that was easier to follow/communicate using the Wrexham documentation as a guideline together with the proformas contained in the Flintshire documentation; • Note that there were specific cases with disposal of assets e.g. education transformation programme that required the securing of the market value in order to realise the Corporate Plan priorities.
-----	Ensure clarity in the document on the milestones and timetables when disposing of individual assets.

2. The importance of ensuring a system of regular reporting by the Finance Function on rent arrears and related matters

NUMBER	RECOMMENDATION
2.1	Introduce Direct Debit as the payment method for any new tenancies/leases (to be paid a month in advance) to be implemented from 1 November, 2015.
2.2	Endeavour to set up a Direct Debit payment in any situation where the Council would need to recover a debt from a tenant.
2.3	Endeavour to persuade the Council's current tenants to transfer to a Direct Debit payment method as soon as possible.
2.4	Note that the work of the Scrutiny Outcome Panel had been a catalyst to resume a practice of regular meetings between Property and Finance Officers (objective: a communication channel and a timely flow of information). There was a need to ensure the continuation of these meetings every 4/6 weeks over the next period.
2.5	Move ahead to ensure electronic connection between Property and Finance systems (Technology Forge and Civica) as soon as possible.
2.6	Submit a report on rent arrears on smallholding tenancies to the Section 151 Officer as a matter of priority.
2.7	Consider the propriety of introducing a 'spend to save' project with a view to developing self-funding arrangements for property service charges for tenants.
2.8	Ensure a regular flow of information between Finance and Property on rent arrears in order to ensure timely action by the Authority for the recovery of arrears.
2.9	Introduce a formal, regular process of reporting on arrears to Elected Members e.g. quarterly.

3. The need to ensure an extension to the Development Programme for the Council's Smallholdings Estate

NUMBER	RECOMMENDATION
3.1	In light of the significant improvement in the condition of the assets, not to review the Smallholdings element at present and to consider the propriety of revisiting this in the Summer, 2016.
3.2	Invite the Property Service to submit a Smallholdings development programme for the period beyond the existing Programme – with the aim of enabling this asset portfolio to realise its full potential.
3.3	To ask the Chair of the Corporate Scrutiny Committee to recommend the following to the Executive Committee at its meeting on 20 July, 2015 ³ : <ul style="list-style-type: none"> • Secure a 12 month extension to the Smallholdings Development Programme to enable the programme to be realised in full; • The need to introduce a medium term development plan for the Smallholdings portfolio (objective: realise the portfolio's full potential).

³ Already implemented due to the timetable for submitting the item to the Executive for consideration (20/07/15)

4. Recognise the contribution of the Smarter Working work-stream to asset disposal

NUMBER	RECOMMENDATION
4.1	Confirm the importance of ensuring a current valuation for assets.
4.2	The need to ensure that all the information was to hand (i.e. a costed options appraisal) in submitting recommendations to Members on the disposal of any assets.
4.3	The need to keep in mind the possible decisions by the Council on the transformation of services over the coming months in order to ensure co-ordinated decisions and avoid missing opportunities (avoid making individual decisions without consideration of the bigger picture).
4.4	Confirm the need to accelerate the process of asset disposal when a decision had been made that there was no longer any use to it.
4.5	Note that Parc Mownt would be a significant part of realising the Smarter Working project and to a large extent would be testament to the success/effectiveness of the entire work – with the potential to generate substantial income for the Authority.

5. The need for pre-decision scrutiny of the draft Corporate Asset Management Plan for Lands and Buildings (before consideration by the Executive)

NUMBER	RECOMMENDATION
5.1	<p>Emphasise more prominently the significance of the message in the quote below by RICS:</p> <p><i>“it has been identified that a poor fit between service requirements and the property asset from which it is delivered is a risk to the Authority. If the asset does not support service delivery it will detract from the Council’s services to its citizens.”</i></p> <p><i>(Public Sector Asset Management Guide to Best Practice).</i></p>
5.2	<p>Further strengthen the Asset Strategy Model (page 13 of the Plan) in order to:</p> <ul style="list-style-type: none"> • Ensure accountability – as services continuously scrutinise and challenge the need to retain many of their assets (through the Corporate Group for Assets); • Ensure clarity – regarding the role and contribution of scrutiny to the model (pre-decision scrutiny and call-in functions); • The range of models for each asset – add a model of maintaining the asset in its current form to the range of options to be considered.
5.3	Appendix 2: Need to strengthen the relationship between the Corporate Assets Group and the two proposed Transformation Boards (through the governance arrangements).
5.4	<p>Key Driver 2: Achieving Efficiencies</p> <ul style="list-style-type: none"> • Review the information contained in the current version of the Plan in order to include the latest information in the version which would be submitted to the Executive (objective: ensure an Asset Management Plan that was as future proof as possible); • Need to emphasise the objective of maximising resources as a result of selling assets as well as reducing the number of assets in the

	<p>Council's ownership;</p> <ul style="list-style-type: none"> • Add the leisure/heritage/youth services to the list of services which would be a priority to be transformed (to secure the most up-to-date list); • Paraphrase the last sentence of the statement – to emphasise that there were other Council assets that could potentially realise additional efficiency savings (i.e. assets that were possibly outside the existing efficiency savings strategy).
5.5	<p><u>Key Driver 3: Future Service Delivery</u></p> <ul style="list-style-type: none"> • Need to also consider the principle that some assets could generate income through their retention as well as through disposal. Need to ask the question – did it make business sense to retain or dispose of the asset? • Emphasise the need to complete an options appraisal when considering the principle of developing commercial units for generating income for the Authority; • Reinforce the connection to technology – as an enabler. The need for investment in technology was also noted.
5.6	<p><u>Key Driver 4: Reduce Repair Liabilities</u></p> <ul style="list-style-type: none"> • Need to emphasise the financial value of the current backlog in the maintenance costs of the Council's assets stock (£18m at present); • Consider the propriety of developing an extra element to the Asset Management Plan (schools) – encouragement for governing bodies and parent/teacher associations and school/community associations to take responsibility for the costs and arrangements of schools' maintenance within clear thresholds.

The Scrutiny Outcome Panel had no recommendations to make on Conclusion 6: an Audit of the Authority's assets/property inventory to scrutinise the implementation of the Asset Management Policy and Procedures.

6.General Matter

NUMBER	RECOMMENDATION
6.1	To decide which scrutiny outcome panels needed to be task and finish groups and which should be permanent panels. Consideration should be given to the propriety of confirming the status of the Asset Disposal Panel as a permanent panel.

FULL REPORT OF THE PANEL

2. BACKGROUND

- 2.1 Whilst considering a report by the Interim Head of Function (Resources) on monitoring the 2014/15 budget, the Corporate Scrutiny Committee⁴ resolved to establish a panel to examine the approach to disposal of the smallholdings portfolio and other assets. Concerns were raised in particular about the process of selling assets – with particular reference to the fact that the Authority may not be selling assets quickly enough.
- 2.2 There was significant delay before the Scrutiny Outcome Panel convened for the first time due to a combination of different factors. It had been necessary to postpone two meetings of the Panel scheduled to take place on 13/10/14 and 18/12/14 due to the significant number of apologies received. It is fair to say that sickness absence in the Democratic Services Unit also influenced the timeframe and progress with this work-stream. The Panel began its work in early July, 2015.

3. METHODOLOGY, SCOPE AND OBJECTIVES

3.1 Membership of the Scrutiny Outcome Panel

- Councillor R. Meirion Jones (Chair);
- Councillor Llinos Medi Huws⁵;
- Councillor Jim Evans;
- Councillor Raymond Jones;
- Dewi Williams, Head of Service (Highways, Waste & Property);
- T Dylan Edwards, Principal Valuation Officer;
- Anwen Davies, Interim Corporate Scrutiny Manager.

3.2 Objectives and Scope of the Review

To look in greater detail at the Council's asset disposal arrangements with the following outcomes stated by the Panel to underpin their evaluation:

- i. Amended Asset Management Policy and Procedures for the Council;
- ii. Ensure a regular reporting procedure by the Finance Function on rent arrears and related matters;
- iii. Recommend that the Council extends the Smallholdings Development Programme for an additional year (ending in March, 2017);
- iv. Pre-decision scrutiny on the draft Corporate Asset Management Plan for Land and Buildings (before consideration by the Executive).

Full details of the objectives, scope and outcomes of the Review are contained in the Terms of Reference adopted by the Panel (**APPENDIX 1**).

3.3 Methodology/Evidence/Inputs considered

3.3.1 **Methodology/Evidence:** the Review was structured in accordance with the Authority's policy framework⁶ This included the development of a scrutiny

⁴ Corporate Scrutiny Committee at its meeting held on 1 September 2014.

⁵ Replaced Cllr Peter Rogers

⁶ Handbook for Scrutiny Members

project plan using some elements of Project Management methodology (*PRINCE2*) in order to ensure robustness to the structure of the review by the Panel. A total of 9 meetings of the Panel were held over a period of 4 months (between July and November, 2015) – working to the following Schedule:

WORK SCHEDULE: SCRUTINY OUTCOME PANEL [ASSETS]

MEETING	ISSUES IN FOCUS	EVIDENCE TO HAND
1	Terms of reference, project plan and setting the context; taking the Panel through the Asset Management Policy and Procedures Document.	The Council's Asset Management Policy and Procedures Document
2	Further consideration of the terms of reference, the project plan and agreement on questions / lines to be followed / direction of the Scrutiny Review.	The Council's Asset Management Policy and Procedures Document
3	Detailed consideration of the Council's Asset Management Policy and Procedures, agree the way forward regarding external, specialist input.	The Council's Asset Management Policy and Procedures Document
4	Examine the list of Council property / assets for disposal, joint consideration of the Panel's comments on the Council's Asset Management Policy and Procedures with the Head of Service / Principal Valuation Officer.	Inventory of Council assets / property
5	The contribution of the Smarter Working Project to asset disposal.	Full Business Plan: Smarter Working (extracts relevant to the disposal of assets – pages 11-14)
6	Joint discussion with Property and Finance officers on rent arrears management issues, summarising the Panel's findings in its scrutiny of the Asset Management Policy and Procedures document and the Smarter Working Project.	The Council's Asset Management Policy and Procedures Document
7	Pre-decision scrutiny of the draft Corporate Asset Management Plan for Land and Buildings (prior to consideration by the Executive).	Draft Corporate Asset Management Plan for Land and Buildings
8	Draft 1 Report of the Panel, draw conclusions and agree recommendations.	Not applicable
9	Agree the final report of the Scrutiny Outcome Panel.	Not applicable

All documents that were the subject of a desktop review are listed in Section 6:
Bibliography

3.3.2 **Inputs:** During the Review, there had been inputs from the following officers:

- Head of Service (Highways, Waste & Property);
- Principal Valuation Officer;
- Head of Function (Transformation);

- Corporate Asset Transformation Manager;
- Interim Head of Function (Resources) / Section 151 Officer;
- Accountancy Services Manager;
- Revenue and Benefits Service Manager.

3.3.3 **Benchmarking/Independent Opinion:** The Panel completed a desktop benchmarking exercise on one element of its Review, namely Asset Transfer practice (Section 7: Council's Asset Management Policy and Procedures Document). Information was received from four of the five other Local Authorities in North Wales. In addition, significant efforts were made on behalf of the Scrutiny Panel to seek an expert, external and impartial input on the current version of the Asset Management Policy and Procedures document through two sources. Firstly through Aberystwyth University and Harper Adams University, which concluded that they did not offer a specialist advisory service in the field of asset management policies/procedures. The second was the *Royal Institute of Chartered Surveyors* (RICS – the professional body for surveyors⁷). An outline brief was submitted to the professional body to invite their interest in undertaking the work. As a result of initial consideration via RICS, it was concluded that commissioning the work would incur considerable expense, without the financial resources to fund it. There was also concern about the principle of inviting a view from external agents who may have a vested interest.

4. CONCLUSIONS

CONCLUSION 1: The need to ensure an up to date Asset Management Policy and Procedures Document as a sound basis for the work of the Council
--

The Policy Document⁸ was the subject of detailed consideration at all meetings of the Panel with the following objectives in mind:

- To take a fresh, independent view of the arrangements (and to consider the possibility of seeking an expert, external opinion);
- Reflecting current best practice;
- Securing the best price on disposal of assets (e.g. selling).

The Scrutiny Panel examined in detail all the asset management aspects of the document – asset disposal and letting, lease management/property management, rent arrears, property acquisition and transfer of assets. There was also joint discussion with officers of the Service (Meetings 1, 4 and 6 of the Panel) to enable the Panel to agree on recommendations. A matrix was developed throughout the review process to summarise the observations and recommendations.

Panel's observations

- There were some exceptions to the scope of the Policy namely – the Council's Smallholdings Estate, the David Hughes estate and any land where the

⁷ The Council's Property function was also part of RICS

⁸ Asset Management Policy and Procedures Document (March 2012)

Council was itself a partner in a proposed development e.g. the provision of social housing;

- It was noted that a significant part of the Policy's implementation had been delegated to the Head of Service which had been written to reflect the Council's former Heads of Service structure. Any departure from the Policy would be a matter for the Executive Committee;
- The need for clarity in the timetable for expressing interest in surplus property by Heads of Service;
- The need to look at the bigger picture and the impact of asset disposal on communities (transfer/sale) e.g. schools. The delays that may arise due to legal complications were also noted;
- The significance of clarity as regards the current procedures when considering the suitability / constraints of land to be used by the Authority for any new developments;
- The Policy Document now appeared to be out of date and needed to be updated with the format and style of Section 7 of the document (Asset Transfers) being very different from the remainder of the document.

CONCLUSION 2: The importance of ensuring a system of regular reporting by the Finance Function on rent arrears and related issues

There was a joint discussion with Property and Finance officers in meeting 6 of the Panel⁹ on the issue of managing rent arrears (Section 5: Asset Management Policy and Procedures Document). Three matters were addressed in particular that had arisen during the Panel's discussions:

KEY ISSUE 1: Rent collection to occur routinely by Direct Debit

Panel's observations:

- It was confirmed that Direct Debit (DD) was the most effective method of collecting income for the Council (this method enabled the Council to have direct control over the amounts to be collected). The Council now had the ability to offer Direct Debit via Civica and should proceed to attempt to transfer as many tenants as possible to DD e.g. consider the propriety of including a condition to this effect in new tenancies;
- Reference was made to the Property Unit's unique income collection arrangements for tenants of smallholdings – invoicing based on 6 months in arrears. The Section 151 Officer was responsible for monitoring the situation and also for ensuring that all monies owed to the council were collected.

KEY ISSUE 2: The Finance Function to ensure the provision of accurate, timely information for the Property Unit on the various elements of the Council's property management functions e.g. issuing rent invoices, rent arrears etc.

Panel's observations:

- The significance of effective, regular channels of communication between Property and Finance officers was emphasised in order to ensure the necessary action to eliminate arrears in a timely manner;

⁹ Scrutiny Outcome Panel: Disposal of Assets held on 29 September 2015.

- The need to seek to forge an electronic link between the systems of the 2 Services (Technology Forge and Civica) to replace paper-based systems for sharing requisite information;
- The need to ensure the availability of information from the Property Unit regarding any debts owed by smallholdings tenants;
- A deposit system was introduced for new tenancies 3 years ago but it was difficult to measure the frequency of the Council's use of deposits to fund changes to properties – as few tenancies had come to an end during that period.

KEY ISSUE 3: Ensure a regular system of reporting by the Finance Function on rent arrears.

Panel's observations:

- It was noted that Civica enables access for Property and Finance officers to reports on rent arrears. The Finance Service could also provide reports to the Property Service;
- There was an internal arrangement of holding two weekly meetings in the Finance Service with the aim of monitoring the collection of debts across Council services. It was noted that the system for reporting on debts to Elected Members was "ad hoc".

CONCLUSION 3: The need to ensure an extension to the Development Programme for the Council's Smallholdings Estate

A presentation was given to the first meeting of the Panel¹⁰ by the Head of Service (Highways, Waste & Property) and the Principal Valuation Officer on the review of the smallholdings programme.

Panel's observations:

- There was an important principle around the need to maintain the quality of the smallholdings estate and access to ring-fenced resources for the purpose of the maintenance programme;
- Need to consider the propriety of providing revised objectives for the Smallholdings estate for the period beyond the current upgrading programme (as part of the Service Asset Management Plan);
- Need to balance the books and ensure a sustainable programme for the future – it was estimated that there would be a deficit of approximately £1m in the programme at the end of 2015/16;
- An extension of an additional year (2016/17) would allow the Council to balance the books.

In light of further consideration at meeting 2 of Panel¹¹, the progress to date with the 5 year Development Programme for Smallholdings was noted with pride, emphasising the need for the programme to run its course and for the assets portfolio to reach its full potential for the future. It was therefore noted that it served

¹⁰ Scrutiny Outcome Panel: Disposal of Assets held on 1 July 2015

¹¹ Scrutiny Outcome Panel: Disposal of Assets held on 8 July 2015

no purpose to include this aspect of the assets portfolio in the current scope of the Scrutiny Outcome Panel.

CONCLUSION 4: Recognise the contribution of the Smarter Working Project to asset disposal.

The contribution of the Smarter Working project to asset disposal was considered at meeting 5 of Panel¹².

Panel's observations:

- A major challenge for the Authority – insufficient resources to maintain the Council's entire current asset portfolio. A number of assets required considerable expenditure to be upgraded, a number were not fit for purpose and identified savings in running costs from building closures were circa £175k;
- Remodelling the Council's main headquarters would allow the Authority to release / dispose of assets in other locations in Llangefni;
- There were costs involved in maintaining vacant buildings and the Panel requested information on the costs per building (vacant);
- Clarity was sought around the schedule for the disposal of Penyrsedd;
- The significance of obtaining a current valuation for assets at the point a decision was made to dispose of them. A challenge for the Council – how could it adhere to this principle with increasing pressure on internal staffing resources;
- The need to ensure that all the information was to hand (i.e. costed options appraisal) when making recommendations to Members to dispose of any assets e.g. Penyrsedd, Shire Hall;
- The need to bear in mind the possible decisions by the Council on service transformation during the forthcoming period with the aim of ensuring coherent decisions and avoiding missed opportunities (avoiding making individual decisions without having regard to the bigger picture).

CONCLUSION 5: The need for pre-decision scrutiny of the draft Corporate Asset Management Plan for Land and Buildings (before consideration by the Executive)

There was a joint discussion with Transformation and Property officers at meeting 7 of Panel¹³ on the draft Corporate Asset Management Plan prior to its submission to the Executive Committee (30 November 2015). In order to add value to pre-decision scrutiny, the Panel concentrated its focus on scrutinising the principles which formed the basis for the Plan (key drivers):

- Key driver 1: The Corporate Plan (2013/17)
- Key driver 2: Achieving Efficiencies
- Key driver 3: Future Service Delivery
- Key driver 4: Reduce Repair Liabilities.

Panel's observations:

¹² Scrutiny Outcome Panel: Disposal of Assets held on 10 September 2015

¹³ Scrutiny Outcome Panel: Disposal of Assets held on 8 October 2015

- There were several facts that needed updating in the plan e.g. opening times of some services, adding the revised structure of the transformation boards and the Council's current transformation programmes;
- Reformat the action plan (Section 2 of the Plan) to indicate a timetable for reviewing / revisiting individual action points (within the context of the annual review framework);
- The significance of ensuring the development of an energy efficiency policy that would feed into the Corporate Asset Management Plan.

CONCLUSION 6: An audit of the Authority's assets/property inventory to scrutinise the implementation of the Asset Management Policy and Procedures

Panel members were provided with a current list of all assets that were subject to disposal by the Council (including Smallholdings and the David Hughes Trust) to enable meaningful deliberations at the first meeting of the Scrutiny Panel¹⁴ (held on 1 July, 2015).

Panel Members further examined the list at meeting 4 of Panel¹⁵.

Panel's observations:

- The need for clarity around any Council policy regarding the sale of parcels of land in Industrial Estates / Parks;
- The need for clarity in the document regarding the difference between leases and asset transfers;
- Did the Council have a central log to record decisions not to sell specific assets? Was the Portfolio Holder involved in that process?
- Did the Authority have criteria for determining the term of leases?

¹⁴ Scrutiny Outcome Panel: Disposal of Assets held on 1 July 2015

¹⁵ Scrutiny Outcome Panel: Disposal of Assets held on 1 September 2015

5. RECOMMENDATIONS

To present the following recommendations for approval by the Executive:

The need to ensure an updated Asset Management Policy and Procedures Document as a sound basis to the Council's work

1.

POLICY SECTION	RECOMMENDATION
Disposal and Letting of Assets	Revise the Council's Asset Management Policy and Procedures: <ul style="list-style-type: none"> • To reflect the new structure of the Heads of Service; • Financial thresholds and marketing and disposal methods (to reflect the current market practice) – in order to simplify and standardise the process.
Property Purchases	Review the Policy to reflect the fact that it was no longer required to submit the details of all the properties purchased as information to the Executive Committee.
-----	Ensure the best price and value as a matter of procedure using professional opinion.
Disposal and Letting of Assets, Property Purchases	Review the following elements of the Policy Document in order to strike a balance between enabling officers to act on the basis of their professional opinion and securing the best price for the Council: <ul style="list-style-type: none"> • Financial thresholds; • Reflecting current practice in disposing of assets
Disposal and Letting of Assets, Lease Management/ Property Mangt	After considering the need to further continue with the practice of ensuring input from Local Members on property disposal matters, the Members' input for the future should be redefined with the aim of only sharing information at the beginning of the process (rather than consultation). This sharing of information to happen through e-mail.
Transfer of Assets	<ul style="list-style-type: none"> • Redraft Section 7 of the document in order to ensure consistency with the remainder of the Policy Document and also create a statement that was easier to follow/communicate using the Wrexham documentation as a guideline together with the proformas contained in the Flintshire documentation; • Note that there were specific cases with disposal of assets e.g. education transformation programme that required the securing of the market value in order to realise the Corporate Plan priorities.
-----	Ensure clarity in the document on the milestones and timetables when disposing of individual assets.

2. The importance of ensuring a system of regular reporting by the Finance Function on rent arrears and related matters

NUMBER	RECOMMENDATION
2.1	Introduce Direct Debit as the payment method for any new tenancies/leases (to be paid a month in advance) to be implemented from 1 November, 2015.
2.2	Endeavour to set up a Direct Debit payment in any situation where the Council would need to recover a debt from a tenant.
2.3	Endeavour to persuade the Council's current tenants to transfer to a Direct Debit payment method as soon as possible.
2.4	Note that the work of the Scrutiny Outcome Panel had been a catalyst to resume a practice of regular meetings between Property and Finance Officers (objective: a communication channel and a timely flow of information). There was a need to ensure the continuation of these meetings every 4/6 weeks over the next period.
2.5	Move ahead to ensure electronic connection between Property and Finance systems (Technology Forge and Civica) as soon as possible.
2.6	Submit a report on rent arrears on smallholding tenancies to the Section 151 Officer as a matter of priority.
2.7	Consider the propriety of introducing a 'spend to save' project with a view to developing self-funding arrangements for property service charges for tenants.
2.8	Ensure a regular flow of information between Finance and Property on rent arrears in order to ensure timely action by the Authority for the recovery of arrears.
2.9	Introduce a formal, regular process of reporting on arrears to Elected Members e.g. quarterly.

3. The need to ensure an extension to the Development Programme for the Council's Smallholdings Estate

NUMBER	RECOMMENDATION
3.1	In light of the significant improvement in the condition of the assets, not to review the Smallholdings element at present and to consider the propriety of revisiting this in the Summer, 2016.
3.2	Invite the Property Service to submit a Smallholdings development programme for the period beyond the existing Programme – with the aim of enabling this asset portfolio to realise its full potential.
3.3	To ask the Chair of the Corporate Scrutiny Committee to recommend the following to the Executive Committee at its meeting on 20 July, 2015 ¹⁶ : <ul style="list-style-type: none"> • Secure a 12 month extension to the Smallholdings Development Programme to enable the programme to be realised in full; • The need to introduce a medium term development plan for the Smallholdings portfolio (objective: realise the portfolio's full potential).

¹⁶ Already implemented due to the timetable for submitting the item to the Executive for consideration (20/07/15)

4. Recognise the contribution of the Smarter Working work-stream to asset disposal

NUMBER	RECOMMENDATION
4.1	Confirm the importance of ensuring a current valuation for assets.
4.2	The need to ensure that all the information was to hand (i.e. a costed options appraisal) in submitting recommendations to Members on the disposal of any assets.
4.3	The need to keep in mind the possible decisions by the Council on the transformation of services over the coming months in order to ensure co-ordinated decisions and avoid missing opportunities (avoid making individual decisions without consideration of the bigger picture).
4.4	Confirm the need to accelerate the process of asset disposal when a decision had been made that there was no longer any use to it.
4.5	Note that Parc Mownt would be a significant part of realising the Smarter Working project and to a large extent would be testament to the success/effectiveness of the entire work – with the potential to generate substantial income for the Authority.

5. The need for pre-decision scrutiny of the draft Corporate Asset Management Plan for Lands and Buildings (before consideration by the Executive)

NUMBER	RECOMMENDATION
5.1	<p>Emphasise more prominently the significance of the message in the quote below by RICS:</p> <p><i>“it has been identified that a poor fit between service requirements and the property asset from which it is delivered is a risk to the Authority. If the asset does not support service delivery it will detract from the Council’s services to its citizens.”</i></p> <p><i>(Public Sector Asset Management Guide to Best Practice).</i></p>
5.2	<p>Further strengthen the Asset Strategy Model (page 13 of the Plan) in order to:</p> <ul style="list-style-type: none"> • Ensure accountability – as services continuously scrutinise and challenge the need to retain many of their assets (through the Corporate Group for Assets); • Ensure clarity – regarding the role and contribution of scrutiny to the model (pre-decision scrutiny and call-in functions); • The range of models for each asset – add a model of maintaining the asset in its current form to the range of options to be considered.
5.3	Appendix 2: Need to strengthen the relationship between the Corporate Assets Group and the two proposed Transformation Boards (through the governance arrangements).
5.4	<p>Key Driver 2: Achieving Efficiencies</p> <ul style="list-style-type: none"> • Review the information contained in the current version of the Plan in order to include the latest information in the version which would be submitted to the Executive (objective: ensure an Asset Management Plan that was as future proof as possible); • Need to emphasise the objective of maximising resources as a result

	<p>of selling assets as well as reducing the number of assets in the Council's ownership;</p> <ul style="list-style-type: none"> • Add the leisure/heritage/youth services to the list of services which would be a priority to be transformed (to secure the most up-to-date list); • Paraphrase the last sentence of the statement – to emphasise that there were other Council assets that could potentially realise additional efficiency savings (i.e. assets that were possibly outside the existing efficiency savings strategy).
5.5	<p><u>Key Driver 3: Future Service Delivery</u></p> <ul style="list-style-type: none"> • Need to also consider the principle that some assets could generate income through their retention as well as through disposal. Need to ask the question – did it make business sense to retain or dispose of the asset? • Emphasise the need to complete an options appraisal when considering the principle of developing commercial units for generating income for the Authority; • Reinforce the connection to technology – as an enabler. The need for investment in technology was also noted.
5.6	<p><u>Key Driver 4: Reduce Repair Liabilities</u></p> <ul style="list-style-type: none"> • Need to emphasise the financial value of the current backlog in the maintenance costs of the Council's assets stock (£18m at present); • Consider the propriety of developing an extra element to the Asset Management Plan (schools) – encouragement for governing bodies and parent/teacher associations and school/community associations to take responsibility for the costs and arrangements of schools' maintenance within clear thresholds.

The Scrutiny Outcome Panel had no recommendations to make on Conclusion 6: an Audit of the Authority's assets/property inventory to scrutinise the implementation of the Asset Management Policy and Procedures.

6.General Matter

NUMBER	RECOMMENDATION
6.1	To decide which scrutiny outcome panels needed to be task and finish groups and which should be permanent panels. Consideration should be given to the propriety of confirming the status of the Asset Disposal Panel as a permanent panel.

6. BACKGROUND PAPERS/LITERATURE

- 6.1 The Council's Asset Management Policy and Procedures Document [March, 2012]
- 6.2 A list of the Authority's current properties/assets [Version: August, 2015]
- 6.3 Full Business Case: Smarter Working (sections relevant to asset disposal) [Version 3.4, 29 September, 2014]
- 6.4 The Council's draft Corporate Asset Management Plan (Lands and Buildings) 2015/2020 [Version 7, February, 2015]
- 6.5 A Policy of Letting at a Lower Rent than the Market Value [Gwynedd Council]
- 6.6 Property Disposal Policy [Gwynedd Council]
- 6.7 Property Procurement Strategy and Policy [Gwynedd Council]
- 6.8 Asset Disposal and Purchase Policy / Strategy and Delivery Plan [Conwy County Borough Council, 2012]
- 6.9 Policy Directives: Transfer of Assets (community) [Flintshire County Council]
- 6.10 Transfer of Assets Policy [Wrexham County Borough Council]
- 6.11 Minutes of meetings of the Scrutiny Outcome Panel:
 - Meeting 1 – 01/07/15
 - Meeting 2 – 08/07/15
 - Meeting 3 – 28/07/15
 - Meeting 4 – 01/09/15
 - Meeting 5 – 10/09/15
 - Meeting 6 – 29/09/15
 - Meeting 7 – 08/10/15
 - Meeting 8 – 03/11/15
 - Meeting 9 – 11/11/15

Version 6
Dated: 11/11/15

TERMS OF REFERENCE

SCRUTINY OUTCOME PANEL: DISPOSAL OF ASSETS

This Terms of Reference (TOR) document sets out the working arrangements and the parameters of the work of the newly established Scrutiny Outcome Panel: Disposal of Assets.

1. BACKGROUND/CONTEXT

1.1 The Corporate Scrutiny Committee at its meeting of 01/09/14 considered a report by the Interim Head of Function (Resources) & Section 151 Officer on budget monitoring: revenue budget Quarter 1: 2014/15. During its deliberations, the Scrutiny Committee resolved as follows:

- To establish a Scrutiny Outcome Panel to examine the approach to the disposal of the smallholdings portfolio and other assets;
- Membership of the Panel to comprise – Cllrs R Meirion Jones, Jim Evans, Llinos Medi Huws¹, Lewis Davies and Raymond Jones.

2. ROLE, PURPOSE & SCOPE

The role of the Scrutiny Outcome Panel will encompass further examination of the:

- Authority's current arrangements for disposal of assets;
- Review of the Council's Smallholdings 5 Year Development Programme (from Summer, 2016);
- Smarter Working Business Case: extracts relevant to disposal of assets;
- Corporate Asset Management Plan for Land & Buildings.

This will be undertaken through closer examination of the:

- i. Council's current Asset Management Policy & Procedures in order to ensure that the Policy:
 - ✚ Enables the Authority to dispose of assets effectively and efficiently;
 - ✚ Is being implemented.
- ii. List of the Authority's property/assets to scrutinise implementation of the Asset Management Policy & Procedures;
- iii. Contribution made by the Smarter Working Project to the disposal of assets giving particular consideration to the following key drivers for implementing Smarter Working:
 - ✚ Building closures;
 - ✚ Restricted accommodation.
- iv. Corporate Asset Management Plan for Land & Buildings in order to ensure pre-decision scrutiny prior to consideration by the Executive.

DESIRED OUTCOMES:

- Revised Asset Management Policy & Procedures for the Council;
- Ensure a process of regular reporting on rent arrears by the Finance Function;
- Recommend to the Council an extension of a year to the Smallholdings Development Programme (expiring March, 2017);

¹ Has replaced Cllr Peter Rogers.

- Pre-decision scrutiny of the draft Corporate Asset Management Plan for Land & Buildings (prior to consideration by the Executive).

3. MEMBERSHIP

Core membership² of the Panel will comprise:

3.1 Membership – Elected Members:

- Councillor R Meirion Jones;
- Councillor Llinos Medi Huws;
- Councillor Jim Evans;
- Councillor Raymond Jones.

3.2 Membership – Officers:

- Dewi Williams, Head of Service (Highways, Waste & Property);
- T Dylan Edwards, Principal Valuation Officer;
- Anwen Davies, Interim Scrutiny Manager.

The work of the Panel may well necessitate attendance of other Elected Members (eg of the Executive) and/or Officers of other Service areas.

4. CHAIRING

The Panel, at its first meeting, will elect a Member to chair.

5. FREQUENCY OF MEETINGS AND QUORUM

5.1 **Frequency of Meetings** – The Scrutiny Outcome Panel has been established to undertake a specific piece of work on the part of its parent committee the Corporate Scrutiny Committee (refer to paragraph 2, above). To that end, it is anticipated that a total number of **9 meetings**³ will be scheduled over the **next 6 months**, to be convened on a monthly basis;

5.2 **Quorum** – this will not apply to Scrutiny Panels established by the Local Authority.

6. RECORD OF MEETINGS & REPORTING ARRANGEMENTS

6.1 The Scrutiny Unit will collate and distribute the papers in preparation for each meeting and will prepare a record of Panel meetings;

6.2 A draft report of the work of the Panel will be prepared by the Scrutiny Unit – for endorsement by Elected Members and Officers of the Local Authority.

7. TIMEFRAME

The work of the Scrutiny Panel will be time limited and will aim to prepare its final report in November, 2015.

Anwen Davies
Interim Scrutiny Manager
July, 2015

TOR_outcomepanelassets2015v4
(amended 29/07/15)

² In light of discussions with the Chair of the Panel, it was decided that Cllr Lewis Davies would not contribute to the work of this Scrutiny Outcome Panel.

³ To be continuously reviewed throughout the life of the review.

**ATODLEN CYFARFODYDD: PANEL CANLYNIAD SGRIWTINI [GWAREDU ASEDAU] /
SCHEDULE OF MEETINGS: SCRUTINY OUTCOME PANEL [DISPOSAL OF ASSETS]**

CYFARFOD / MEETING	DYDDIAD / DATE	LLEOLIAD / VENUE	RHAGLEN / AGENDA
1	01/07/15 [10.00 – 12.00yp/pm]	Ystafell Gyfarfod Eiddo / <i>Property Conference Room</i>	CG, Cynllun Prosiect a gosod y cyd-destun / <i>TOR, Project Plan & setting the scene.</i>
2	08/07/15 [12.30 – 2.00yp/pm]	Ystafell Gyfarfod Cynllunio / <i>Planning Meeting Room</i>	<ul style="list-style-type: none"> • Ystyriaeth bellach o'r CG, Cynllun Prosiect a chytundeb ar gwestiynau/llynellau i'w dilyn/cyfeiriad yr Adolygiad Sgriwtini / <i>Further consideration of TOR, Project Plan and agreements around lines of enquiry/questions to pursue/direction of Scrutiny Review.</i>
3	28/07/15 [10.00 – 12.00yp/pm]	Ystafell Gynhadledd Eiddo/ <i>Property Conference Room</i>	<ul style="list-style-type: none"> • Ystyriaeth fanwl o Bolisi a Gweithdrefnau Rheoli Asedau'r Cyngor / <i>Detailed consideration of the Council's Asset Management Policy & Procedures;</i> • Cytuno'r ffordd ymlaen parthed mewnbyn allanol, arbenigol / <i>Agree way forward regarding external, expert advice;</i> • Ystyriaeth bellach o'r CG a'r Cynllun Prosiect / <i>Further consideration of TOR & Project Plan.</i>
4	01/09/15 [10.30yb/am – 12.30yp/pm]	Ystafell Gynhadledd Eiddo/ <i>Property Conference Room</i>	<ul style="list-style-type: none"> • Ymchwilio rhestr y Cyngor o eiddo/asedau i'w gwaredu / <i>Examination of the Council's list of properties/ assets</i>

			<p><i>to be disposed;</i></p> <ul style="list-style-type: none"> • Cyd-ystyriaeth o sylwadau'r Panel ar Bolisi a Gweithdrefnau Rheoli Asedau'r Cyngor gyda'r Pennaeth Gwasanaeth/ Prif Swyddog Priso / <i>Joint consideration of Panel's observations on the Asset Management Policy & Procedures with the HOS/Principal Valuation Officer.</i>
5	10/09/15 [11.30yb/am – 1.30yp/pm]	Ystafell Bwyllgor 1 / <i>Committee Room 1</i>	Cyfraniad y Prosiect Gweithio'n Gallach i waredu asedau / <i>Contribution made by the Smarter Working Project to the disposal of assets.</i>
6	29/09/15 [10.00yb/am – 12.30yp/pm]	Ystafell / <i>Room 1003</i>	<ul style="list-style-type: none"> • Cyd-drafodaeth gyda swyddogion Eiddo a Chyllid ar faterion rheoli dyledion rhenti / <i>Joint discussion with Property & Finance officers on rent arrear issues;</i> • Crynhoi darganfyddiadau'r Panel parthed ei ymchwiliad o'r ddogfen Bolisi a Gweithdrefnau Rheoli Asedau a'r Prosiect Gweithio'n Gallach/ <i>Summarise Panel findings in relation to its examination of the Asset Management Policy & Procedures and Smarter Working Project.</i>
7	08/10/15 [11.30yb/am – 1.30yp/pm]	Ystafell / <i>Room 1003</i>	Craffu cyn-penderfyniad ar y Cynllun Rheoli Asedau Corfforaethol ar gyfer Tiroedd ac Adeiladau (cyn ystyriaeth gan y Pwyllgor Gwaith) / <i>Pre-decision scrutiny of the Corporate Asset Management Plan for Land & Buildings (prior to consideration by the Executive).</i>
8	03/11/15 [9.00 – 10.30yb/am]	Ystafell / <i>Room 1003</i>	Adroddiad drafft y Panel, tynnu casgliadau a chytuno ar argymhellion / <i>Draft Panel Report,</i>

			<i>draw conclusions and agree recommendations.</i>
9	11/11/15 [9.00 – 10.00yb/am]	Ystafell Bwyllgor 1 / <i>Committee Room 1</i>	Cytuno Adroddiad Terfynol y Panel Canlyniad Sgriwtini / <i>Sign-off Final Panel Report.</i>

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Executive and Council
Date:	Informal Executive – 30th November 2015 Executive – 14th December 2015 Council –
Subject:	Corporate Asset Management Plan for Land & Buildings 2015 - 2020
Portfolio Holder(s):	Councillor J Arwell Roberts
Head of Service:	Dewi R Williams (HOS Highways, Waste & Property)
Report Author: Tel: E-mail:	Chris Staddon (Corporate Assets Transformation Manager) 2273 ChrisStaddon@anglesey.gov.uk
Local Members:	N/A

A –Recommendation/s and reason/s
<p>RECOMMENDATION The Executive recommends to the full Council the adoption of the Corporate Asset Management Plan for Land and Buildings for the period 2015 – 2020.</p> <p>REASON This decision is required in order to replace the previous Asset Management Plan approved by the Council in 2009 which is now out of date.</p> <p>This Corporate Asset Management Plan for Land and Buildings is a high level strategic document that sets the direction for the management of the Councils assets for the next five years. Its purpose is to:</p> <ol style="list-style-type: none"> 1. Ensure there is a co-ordinated, corporate and holistic approach to the management of our assets. 2. To ensure the alignment of our assets with current and future service delivery. 3. To challenge the status quo to identify opportunities for selling those assets not required for front line service delivery in order to generate Capital receipts and revenue savings. <p>This plan will provide the basis for which the Councils property related decisions are to be</p>

made to ensure assets are fit for purpose, their use is optimized and costs minimized in order to ensure the property portfolio is sustainable for the future.

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

Updates to the original 2009 plan has been considered but not chosen as an option as the objectives of the organization has changed and moved on since the plan was drafted.

With a need to save approximately £17 million over the next three years, the draft Efficiency Strategy identified a number of ideas for making savings which are asset related. Asset management therefore has a contribution to make in relieving these current budgetary pressures and assist the Council in achieving the objectives of the Corporate Plan and assisting the Efficiency Strategy which would best be done through a new Corporate Asset Management Plan for Land & Buildings.

C – Why is this a decision for the Executive?

Because the Corporate Asset Management Plan for Land and Buildings 2015 – 2020 forms part of the Policy Framework which may only be approved by Council after consideration by the Executive.

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

Yes

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

Budget not required for implementing recommendations in the plan.

DD – Who did you consult?

What did they say?

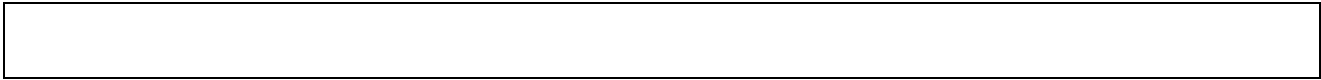
	DD – Who did you consult?	What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	Draft plan has been to SLT on two occasions. Following the 1st consultation SLT suggested a number of additions and gave approval to consult with the Services. The 2 nd SLT consultation was to review ammendments following service consultation who then gave approval to take to Executive.

2	Finance / Section 151 (mandatory)	Finance included as part of wider service consultation with no comments to make. Section 151 officer has been involved with reviewing the plan during Corporate Land & Building Assets Group meetings over the last 12 months.
3	Legal / Monitoring Officer (mandatory)	Legal included as part of wider service consultation and specifically requested to look at possible data that could be considered commercially sensitive. Service confirmed no commercially sensitive data in the report to warrant excluding from public domain.
4	Human Resources (HR)	HR included as part of wider service consultation with no comments to make
5	Property	Property has been integral to the drafting of this plan.
6	Information Communication Technology (ICT)	ICT included as part of wider service consultation with no comments to make.
7	Scrutiny	The plan has been considered by the Disposal of Assets Scrutiny Outcome Panel on 8 th October where a number of suggestions were agreed upon which have been included in this final draft.
8	Local Members	N/A
9	Any external bodies / other/s	No

E – Risks and any mitigation (if relevant)	
1	Economic
2	Anti-poverty
3	Crime and Disorder
4	Environmental
5	Equalities
6	Outcome Agreements
7	Other

F - Appendices:
Appendix 1 – Corporate Asset Management Plan for Land & Buildings 2015 - 2020

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





CORPORATE ASSET MANAGEMENT PLAN FOR LAND & BUILDINGS 2015 – 2020



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EXECUTIVE SUMMARY

This Corporate Asset Management Plan for Land and Buildings is a high level strategic document that sets the direction for the management of the Councils assets for the period 2015 to 2020.

As we know, the island faces a decade of significant investment and change with major infrastructure projects such as Wylfa Newydd and other science, technology and leisure projects being planned across the island. These projects will provide significant challenges, risks and opportunities which will impact on the Councils services and its assets.

The purpose of this plan is to ensure the alignment of our assets with service delivery in order to meet these challenges and to identify opportunities for selling those assets that are no longer required for front line service delivery in order to generate much needed Capital receipts and revenue savings.

With a need to save approximately £17 million over the next three years, the draft Efficiency Strategy has identified a number of ideas for making savings which are asset related. Asset management therefore has a contribution to make in relieving these current budgetary pressures and assist the Council in achieving the objectives of the Corporate Plan and assisting the Efficiency Strategy.

The following are the key headlines of this plan:

School Modernisation: This is a fifteen year programme split into four phases Band A to Band D proposing a radical change to the current Schools portfolio in order to deal with the current oversupply of school places. Band A of this programme, which covers 2013 - 2019 proposes the building of 4 new primary schools, the remodelling of 1 primary school with the closure and sale of those that are then surplus to requirements in order to part fund this phase of the programme. To date Executive approval has been given for the construction of a new Primary school in Holyhead with the closure of three, and a new Primary school in the Llanfachraeth / Llanfaethlu area with the closure of three. Funding for these two schools has been granted.

Older Adult Social Care: The current provision through residential care homes is very expensive and in danger of becoming unaffordable due to a number of issues facing the service. Fewer people are choosing residential care, the need for extensive remodelling and investment needed to be spent on the homes to meet 21st Century standards, and the facilities we offer are inferior and at a higher cost than the private sector. The service has concluded it will be more cost effective to provide Extra Care in partnership with a Registered Social Landlord in the Amlwch, Llangefnï and at a later date in the South of the Island area.

The sale of Garreglwyd in Holyhead and the Amlwch and Llangefni homes once the Extra Care facilities have been opened will generate estimated Capital receipts of £3M and savings in the region of £7.8M over a ten year period. To date approval has been given for locating Extra Care in Amlwch and Llangefni, and agreement has been reached with a Registered Social Landlord to construct and run the Llangefni facility.

Smarter Working Project: The original driver for the Smarter Working Project's creation was the desire of the Authority to rationalize its office portfolio for a variety of reasons including on-going maintenance costs and suitability of buildings as office space. A number of buildings have been identified for closure in the near future which requires a clear plan of how to relocate the staff based within each one in to the Main Building; these include:

- Parc Mount;
- Rovacabin;
- Penyrsedd House;
- Môn Training Centre;
- Hen Ysgol y Graig
- Cynnal & Genesis Buildings

Over two years the project will release estimated savings in the region of £729k and Capital receipts of £563k from the sale of the above assets. Capital investment of £1.1M is required for this project which has been approved by the Council which is currently being implemented.

Housing: The Council Housing Service has now exited the HRAS and is self-financing. Since 2nd April 2015 all Council housing assets and income are ring-fenced to the Housing Revenue Account.

The identified risk posed by the need to accommodate thousands of additional workers during the construction of Wylfa Newydd. This produces the need for additional accommodation and the risk of displacement of existing households where this does not happen.

Leisure and Library, Culture & Heritage and Youth Assets Strategies: Currently these strategies are in the process of being developed which will be used to inform this plan once they have been completed.

Smallholdings: The two main issues that require addressing are:

- Smallholdings rental income is currently ring-fenced until the improvement programme is completed, once completed £200k of the £500k rental income should be retained for the maintenance of the smallholdings to avoid further deterioration of the asset.
- The need to challenge the justification for retaining this estate through an option appraisal exercise to include consideration of selling the estate in

order to take advantage of the estimated £7.9M Capital receipt that could be obtained through their sale.

Industrial & Retail Assets: There is a need to challenge the justification for retaining these assets through an option appraisal to consider selling them where grant conditions allow, and forsake the annual revenue benefits. The Industrial portfolio generates an income in the region of £355k and is currently valued at £3.39M. With the upcoming opportunities in the energy sector, demand is expected to increase which cannot be met by the private sector. If the decision is taken to retain this portfolio, the Council needs to be in a position to take advantage of these opportunities and increase its income by understanding the scope, scale and location of the demand.

The Retail portfolio currently generates an annual income of £55k and is currently valued at £615k.

In addition to the above assets there are the Sundry Properties, Occupied Land, Undeveloped Land, Grazing, Park & Open areas assets that aren't required for front line service delivery which in many cases are a liability to the Council. An option appraisal exercise is required to each of these assets with a view to selling if appropriate in order to gain much needed Capital receipts.

Additional actions of this plan are to:

- Review the policies & procedures for dealing with the selling of assets with a view to speeding up the process wherever possible.
- Review the criteria for choosing to transfer an asset over selling when there is a need to gain as much Capital receipts as possible from the sale of our assets.
- Need to develop an Energy Efficiency Policy in order to assist the Efficiency Strategy, improve the energy efficiency of our buildings and make savings on cost of power and water used to reduce our carbon footprint.
- Carry out area reviews in order to identify similar services being provided by other public bodies or the private sector that could take over certain non-statutory services should the Council decide to withdraw them.
- Carry out an option appraisal to decide the future use of Shire Hall.

SECTION 1

1.1 Introduction

In 2009 the Council approved its first Corporate Asset Management Plan (AMP) for Land & Buildings for the period of 2009 to 2013, excluding Council Housing, Highways infrastructure and public parks.

The purpose of the AMP was seen as crucial for achieving a strategic focus on the management of the property portfolio which was linked to the corporate objectives and capital expenditure strategies of the Council at that time.

Its purpose was also to provide the basis for which the Council's property related decisions were to be made and to ensure operational buildings were safe fit for purpose and the use of property assets were optimised and costs minimised in order to ensure the property portfolio was sustainable for the future, which is also the purpose of this plan.

This AMP is now out of date and consequently a new plan is required to update the original AMP at a time when the Council has to face unprecedented resource challenges which are likely to continue for some years to come.

Additionally the Council is going through a big change itself with the modernisation and Transformation of services and service provision and the desire to rationalise its asset portfolio which, is second most costly to the Council after its staff.

This at a time when significant major infrastructure projects are planned such as Wylfa Newydd, Land & Lakes in Penrhos and Holyhead waterfront scheme which should they be developed to their full potential will not only bring employment opportunities to the island. They will also bring the potential for increased service demand with the need for our service assets to be available to respond to these.

In the future the Council will need to be responsive and agile in the way it provides its services during this time of tight fiscal management, rising expectations and demands from our current & future citizens, we will have to deliver more for less by ensuring:

- ***Key services continue from an asset base that is sustainable.***
- ***Assets are in the right location.***
- ***Assets are fit for purpose.***
- ***Assets are well used.***
- ***Assets are well maintained.***

....in order to support current and future front line service delivery.

This new AMP which has a five year projection has been reviewed and agreed by the Council which will be further reviewed and updated in order to reflect changes in internal or external requirements as and when they occur.

To facilitate this, section 1 of this plan will remain static during its five year lifespan with section 2 and appendices being the working sections of the document updated as and when decisions and changes are planned for our land and building assets.

DRAFT

1.2 Scope and Drivers

The scope of this Corporate Asset Management Plan for Land & Buildings covers assets such as:

- All operational land & buildings that the Council provides a service from such as schools, Libraries, Leisure centres, care homes and offices etc.
- All non-operational land & buildings such as Industrial units, retail units, grazing land, sundry and surplus assets.
- The small holding estate.
- Council Housing.
- Highways Infrastructure.
- Parks & Open areas.
- Maritime Assets.

Out of scope are assets such as:

- Works of art.
- Vehicle fleet.
- Furniture and associated fixtures & fittings.
- IT equipment.

The key drivers for this Corporate Asset Management Plan for Land & Buildings are:

Key Driver 1 – The Corporate Plan 2013-2017

In the Corporate Plan the Council has stated the need to transform our services and the way the Council works and has identified the following seven objectives as a means of achieving this:

- Transform Older Adult Social Care
- Regenerating our Communities & Developing the Economy
- Improving Education, Skills & Modernising our Schools
- Increasing our Housing Options & Reducing Poverty
- Transforming our Leisure & Library Provision
- Becoming Customer, Citizen & Community Focused
- Transforming our Information & Communication Technologies

These corporate objectives will need to be met through service improvements and our assets need to reflect and support the Councils vision in going forward.

Key Driver 2 - Achieving Efficiencies

At the time of writing this plan, the Council has developed a draft Efficiency Strategy for 2014-2017 which it is currently consulting on. The purpose of the strategy is to provide clear direction as to how the Council aims to meet the financial challenges it faces over the next three years.

Identified within this strategy are a number of ideas for making savings which are asset related such as:

- Reducing the number of offices and other land and building assets in our ownership.
- Implementing energy efficiency measures in our buildings.
- Modernise the way we operate and streamline back office functions.
- Modernising social care for older people.
- School modernisation.
- Reviewing Library, Leisure, and Culture & Youth provision.

Due to this desire to create efficiencies from the way we use our existing property assets for service delivery, and also the delivery of services from more cost effective methods that may not involve the need for some of our assets. There is an opportunity to reduce running costs from the closure of additional unwanted assets and the prospect to generate capital receipts from their sale.

Key Driver 3 – Future Service Delivery

This is a key driver for any strategic approach to asset management as service delivery is at the heart of everything we do.

It is likely future service delivery may not involve the utilisation of assets in the same way we currently do and non-property based solutions may be preferred in some instances with IT being a key enabler in achieving this. This will inevitably lead to the rationalisation of our property asset base as services are transformed and modernised.

It is important key services continue from an asset base that is sustainable; assets are in the right location, are fit for purpose, are well used and well maintained in order to support service delivery now and what needs planning for the future. This document should be seen as a tool in helping to meet this challenge.

Key Driver 4 - Reducing Repair Liabilities

Many of our buildings that were constructed during the 1960`s and 1970`s are now showing their age mainly due to a lack of investment over the years. Some of our assets now require significant investment on their building fabric and services in order to make them more energy efficient and cost effective to run and to ensure they are able to continue to support service delivery in the future without risk of failure and unplanned building closures.

The Councils current estimated backlog maintenance repair costs are in the region of £18 million which is based on 2013/2014 data and excludes the small holding and Housing estate. The amount spent on building maintenance and renovation during the same period was £2.5 million. Should present expenditure levels be maintained, it would take some 7 years to complete the current required maintenance during which time additional requirements will come to light putting extra strain on these limited resources.

It is clear the Council does not have sufficient resources to bring this backlog maintenance figure down to a level that can be sustained through the budgets available and if the liability is to be reduced, the size of our property asset base will have to shrink in size.

A summary of the current Capital Budget for 2014/2015 is shown in **Appendix 1** giving details of planned capital expenditure being invested in our assets.

Alternative methods for dealing with building maintenance such as community engagement opportunities to assist with general school maintenance for example is something that could be investigated.

1.3 The Land & Property Asset Base

The Council has a large and varied portfolio of land and building assets held primarily for the delivery of frontline public services, but also more generally to support the Councils corporate priorities which, excluding Highways assets, are currently valued at £315 million¹. On the one hand many of these assets are considered a valuable resource, on the other however they are also a liability which requires considerable revenue and capital funding to run and maintain.

Table 1 below lists the sites by Asset Category (Excluding Highways Infrastructure).

Sites by Asset Category

Asset Category	Total	Asset Category	Total
Retail Sites	10	Primary Schools	47
Community Ctrs	5	Public Conveniences	19
Education – Other	12	Secondary Schools	5
Grazing Land	20	Small Holdings	89
Industrial Sites	29	Sewage Treatment Works	22
Leisure Ctrs	4	Special Needs School	1
Leisure & Maritime Sites	25	Sundry Property	15
Libraries	10	Undeveloped Land	62
Occupied Land	171	Youth Clubs	3
Offices	10	Day Care Ctrs	5
Parks & Open Areas	35	Residential Care Homes	6
Housing Sites	360	Surplus Property	11

Table 1 Asset Sites from TF System 10/04/2014

In addition to this the Council also manages but does not own the David Hughes Estate which falls outside the scope of this plan.

The table below breaks this data down further to show the service / asset link.

Service / Asset Cat.	Asset Type	Service / Asset Cat.	Asset Type
Education	47- Primary Schools 5 – Secondary Schools 1 – Special School 4 – School Houses 8 – Other Ed. Buildings	Social Services	6 – Care Homes for Elderly 5 – Care Day Ctrs Gerddi Haulfre Canolfan Byron
Lifelong Learning & Museums & Culture	10 – Libraries 5 – Museums & Galleries 1 – Archive Building 13 – Youth & Community Ctr	Housing	360 – Housing Sites 3,805 – Houses & Flats 700 – Garages 1 – J O' Toole Ctr Toll House Llanfairpwll

¹ Taken from Council Statement of Accounts 2013/2014

Economic	3 – Leisure Ctrs with Pools 1 – Leisure Ctr without pool 1 – Golf Course & Driving Range 5 – Other Leisure Sites 5 – Slipways / Piers /Docks Several Parks & Open Spaces Maritime Moorings	Highways & Waste Management	19 – Public Toilets 2 – Waste Recycling Ctrs 1 – In vessel Composting Plant 1 – Highways Depots 1 – Salt Barn, Gritter Shed & Highway Recycling Ctr. 1 - Biffa Depot & Offices 1 – Fleet Garage 4 – Storage Units 76 – Car parks 2 – Pedestrian Bridges 1 – Airport Terminal Refer to Appendix 7 for details on Km of roads, pavements & Highway structures.
Property	15 – Sundry Properties 92 – Small Holdings 20 – Grazing Land Sites 171 – Occupied Sites 62 – Undeveloped Land Sites 11 – Surplus Properties 18 – Retail Units 18 – David Hughes Estate 5 – Industrial Estates 90 – Industrial Units	Community Assets	35 – Parks & Open Areas
		Administration	9 – Office Buildings
		Planning & Public Protection	-Llanddwyn Cottages, Lighthouse & Boathouses - Holyhead Breakwater Country Park, buildings, gallery & structures.

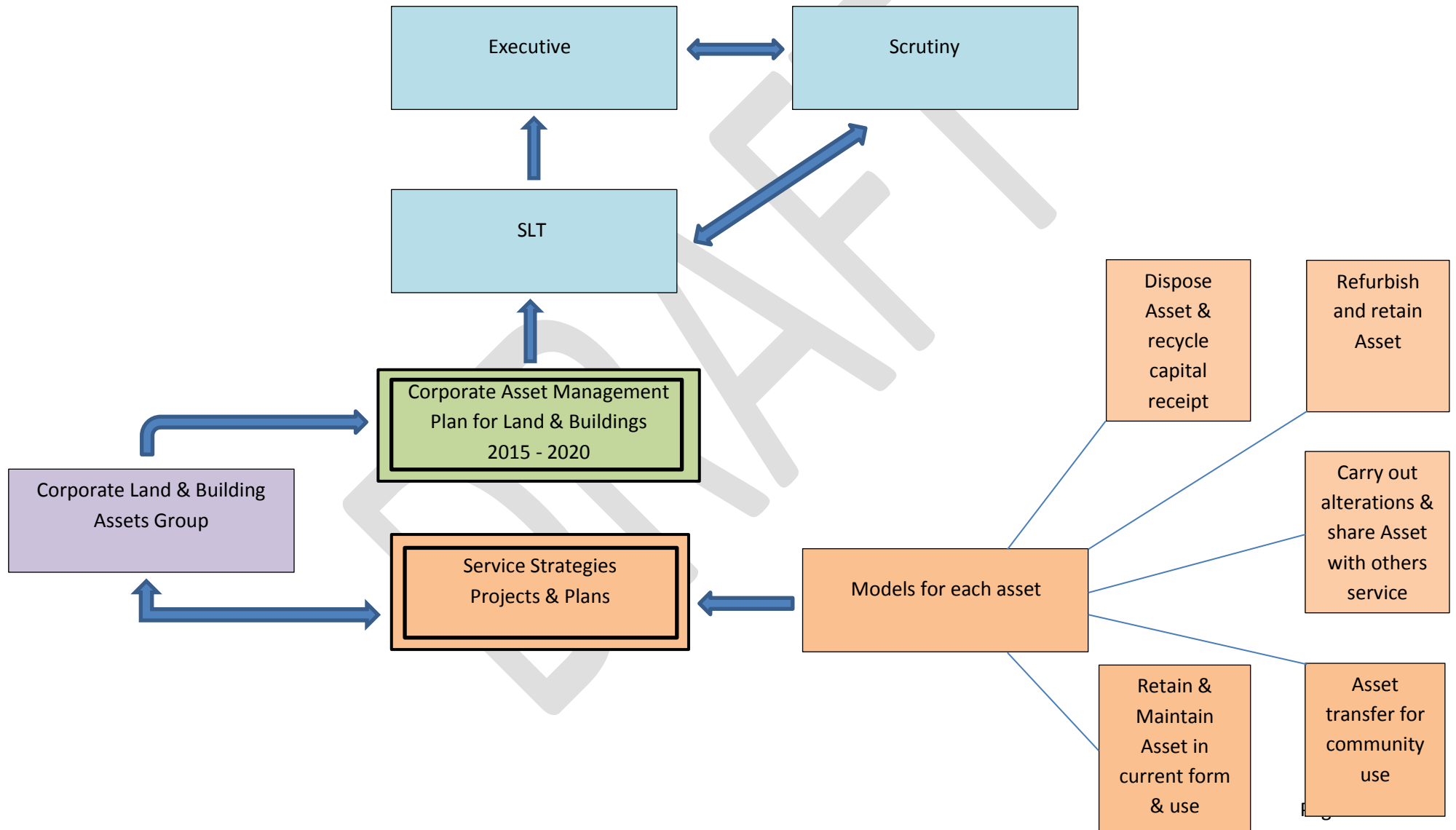
”It has been identified that a poor fit between service requirements and the property asset from which it is delivered is a risk to the Authority. If the asset does not support service delivery it will detract from the Councils services to its citizens².”

In order to ensure we have an asset base which is sustainable and fully supports service delivery in the future, we need to challenge the status quo of how our assets are currently aligned with service delivery and what changes need to be made to ensure they will support service transformation as we move forward.

The Council services need to scrutinise and challenge the use, effectiveness, management and even justification for retaining many of their assets and the model shown below is the proposed mechanism for doing this.

² RICS Public Sector Asset Management Guide to Best Practice

Asset Strategy Model



1.4 Managing the Assets

There is a need to take a strategic, co-ordinated, corporate and holistic approach to the management of our assets and all land & property assets are viewed as corporate assets in order to ensure this is achieved.” Our Land & Building Assets are a strategic resource that needs to be actively managed at both corporate and service level with ongoing property issues and maintenance needs being considered at a strategic corporate level, not as an afterthought”³.

Through a Corporate Landlord approach, elements of the day to day responsibility for building operations are delegated to the services and their building managers who in some instances have a Service Level Agreement with Property Services to deal with day to day maintenance issues as they arise. This role of Property as the Corporate Landlord is to ensure assets are safe to use, that legal frameworks are in place and that the assets value are not undermined.

The management of our assets are galvanised by a range of legislative and statutory obligations such as Fire Safety, Asbestos Management, Legionella, Disability Discrimination Act, Health & Safety Law etc. In addition to these is the desire to reduce our carbon emissions and energy use.

With the exception of the Housing, Highways and Maritime assets which are managed by the respective services. The majority of our land and building assets are managed at operational level by the Property Services Team in order to ensure our exposure to any risk of breaching our statutory obligations are kept to an absolute minimum. This is done by the carrying out of regular periodic surveys of mechanical & electrical plant & equipment, asbestos, legionella, fire risk, safety glazing, access audits and condition surveys.

Condition surveys on these properties are carried out on 20% of them each year in order to ensure up to date condition data is available to inform the Corporate Health Asset Management Performance Indicators that have to be completed on an annual basis and also to identify work required to maintain assets in serviceable condition over the next five years. The PI's for Condition Data for 2013/2014 are shown in **Appendix 3** which identifies the % of buildings that are in Condition A = Good, B = Satisfactory, C = Poor and D = Bad.

Because our assets are generally expensive to run and maintain, efficiencies can be achieved if they can be used more intensively or their costs in use can be reduced. The challenge is to find ways of working assets harder or finding alternative ways services can be provided thus reducing the number of assets in our ownership and the key to this is;

³ Hot Property Audit Report 2005

- Provide a greater challenge to the use of our assets based on new ways of working and delivery of services that is now possible due to technological changes.
- To explore the relationship between the Councils assets and those of other public and private sector organisations within our area in order to identify opportunities for sharing assets or the transferring of service provision.

Currently Smarter Working, Older Adult Social Care and Education Transformation programme boards are looking at how we work, how we can transform and modernise the way we work and how and where service provision is to be provided and by whom.

Strategies for Libraries, Leisure, Youth and Culture & Museums are being developed with a view to transforming and modernising these services and it is possible that these may lead to opportunities for asset rationalisation.

The progress of these key programmes and strategies are monitored corporately through one of the two Corporate Transformation Programme Boards:

- Update Required
- Update Required

1.4.1 Role of Corporate Land & Building Assets Group (CLBAG)

The CLBAG is a high level working group which sits alongside the Corporate Capital Allocation & Review Group, its purpose being to ensure through effective and holistic management practices, the best use of the authorities land and built assets.

The role of the group is to:

- Review business cases of programmes and projects from an assets perspective arising from the corporate programme to ensure each business case is in line with statutory requirements, Councils agreed priorities and this Corporate Asset Management Plan.
- To identify opportunities for shared use of assets and contribute to improved service delivery, sustainability and cost reduction.
- To challenge and review asset related bids for external revenue funds, revenue spend & project delivery. Proposed asset usage, asset related management practices and identify potential opportunities for asset rationalisation and disposals.
- Review original objectives for having certain types of assets such as Industrial, retail, agricultural, cultural etc. and if no longer being met or are no longer Council priorities, justify their retention.

The aims of the group are:

- Ensure that projects and strategies relating to land & built assets make corporate sense across all programmes and that they maximise the benefits to service delivery & income generation.
- To ensure confidence in the disposal and purchase of land and built assets across all programmes and raise the profile of property management to a corporate level.
- To drive change and improvement in the way land and built assets are used and managed to assist the delivery of the corporate plan and act as the approving body through which all asset related changes proposed by services are channelled and who have the final say on how services are allowed to use these assets.

The Governance model shown in **Appendix 2** shows the inter-relationships between these programme boards, strategies and projects, the Corporate Land & Built Assets Group and Capital Allocations Review Group.

This section of the plan has been agreed and approved by:

Council Leader -----
Cllr Ieuan Williams

Chief Executive-----
Dr Gwynne Jones

SECTION 2 – WORKING DOCUMENT

2.1 Service Transformation

Within this section of the plan are the “Headline” proposals from the various programmes and strategies that are currently taking place that will affect our assets and which are likely to change as these strategies are further developed. This and following sections of this plan will also change and be updated to track these changes, as stated previously this is a working document that will be frequently updated over the next 5 years. This section covers the following services / projects / Assets:

- 2.1.1 - Education Transformation
- 2.1.2 - Office Rationalisation & Smarter Working Project
- 2.1.3 – Shire Hall
- 2.1.4 – Older Adult Social Care Transformation
- 2.1.5 – The Small Holding Estate
- 2.1.6 – Housing Strategy
- 2.1.7 – Highways Asset Management Plan
- 2.1.8 – Waste Management Strategy
- 2.1.9 – Leisure Function Plan
- 2.1.10 – Library, Youth, Culture & Heritage Assets Strategy
- 2.1.11 – Parks, Open Areas & Sundry Properties
- 2.1.12 – Industrial Portfolio
- 2.1.13 – Retail Portfolio
- 2.1.14 – Maritime Assets

2.1.1 Education Transformation

The main drivers behind the School Modernisation Programme are:

- The over-supply of primary and secondary school places is costing the Authority money.
- The critical inspection report of the Authority by Estyn carried out in 2012.
- The 21st Century Schools programme sponsored by the Welsh Government requires analysis by the Authority of the sufficiency of its schools in order to attract match funding.

The key underlying principle driving the school modernisation agenda is for Anglesey to be a top performing LA in Wales with sector leading schools and provision. It is therefore vital that any change to school provision will result in improved educational experience for pupils within that area.

The Education Transformation Board will oversee the Schools Modernisation Programme which will transform the school estate on Anglesey. The fifteen year programme, which is split into four bands i.e. Band A to Band D, proposes a radical

change which at the end of it will result in a reduction in the current over supply of school places to meet Welsh Government priorities.

An examination of the Council's Authority's portfolio of school buildings [backlog of £7.5million maintenance in primary schools and £5.2m in secondary schools] indicates that there are serious shortcomings in the suitability of a number of current sites and buildings, including pressing health and safety issues that question the long term viability of some of our existing primary schools.

The need to maintain a large number of ageing school buildings and the supporting infrastructure is unsustainable. The Council needs to establish a long term and sustainable basis for schools on the island which will require substantial capital investment. To achieve this, the Council will need to work with the Welsh Government to invest in our school infrastructure.

The modernisation agenda programme will therefore involve:

- Existing new build plans;
- Merging of existing schools through a combination of school federations and merging on one preferred site;
- Catchment area boundary reviews and amendments;
- Building new area schools;
- Co-locating primary and secondary schools on the same campus [or close together] as the first stage in the move to 3-18 catchment area provision;
- Closure of schools that are not fit for purpose.

This will result in:

- School buildings that create an attractive learning environment.
- Raising educational standards.
- Reduction in the number of surplus places.
- Creating conditions for Head teachers to succeed.
- Ensuring sufficient Head teachers for the future.
- Maximising the use of school buildings by the community.

2.1.1.1 Implementation timescale

Following adoption of the Strategy by the Executive Committee, formal consultation meetings have and will continue to be undertaken within an area for review to present the rationale and consider possible options. These formal consultation meetings will be staggered over a 4-year period as shown in the table below.

Band A Consultation 2013-14 Implementation 2014-18	Band B Consultation 2014-15 Implementation d 2018-22	Band C Consultation 2015-16 Implementation 2022-	Band D Consultation 2016-17 Implementation period 2022-
Holy Island [North] - Y Parc, Parchedig Thomas Ellis, Llaingoch	North East area - Amlwch, Penysarn, Carreglefn, Llanfechell, Cemaes, Rhosybol	Llangefni area - Y Graig, Talwrn, Corn Hir, Bodffordd, Henblas, Esgeifiog	Holy Island [South] - Kingsland, Morswyn, Llanfawr, Santes Fair
South East Anglesey - Llangoed, Llanddona, Beaumaris	Central West - Bryngwran, YFfridd, Pencarnisiog, Rhosneigr	North West coast - Rhoscolyn, Fali, Tywyn, Bodedern, Caergeiliog	East Coast - Llanbedrgoch, Goronwy Owen, Moelfre, Pentraeth
Llannau - Llanfachraeth, Ffrwd Win, Cylch y Garn.	Central North West - Llannerchymedd	South East coast - Llanfairpwll, Llandegfan, Porthaethwy	
South West Coast - Dwyran, Bodorgan, Niwbwrch, Llangaffo,			

The responses from each formal consultation meeting will be presented to the Executive Committee who will then decide on the option to progress and implement for an area/individual school.

The Council will be consulting with parents, school governors, staff and other relevant stakeholders during these consultations.

At the time of drafting this report, approval and funding has been given for the construction of a new area Primary School in Holyhead which will result in the closure of three existing schools, and a new area Primary School in the Llannau area with the closure of three existing schools. Consultation has also commenced in the South West area.

2.1.1.2 Outline cost of the Programme

The overall cost of the programme has been estimated to be £173,280,000 and the Council would be seeking £86,640,000 match funding from the Welsh Government. Of this, £33,550,000 will be spent on the projects outlined for 'Band A' of the programme.

The Authority will utilise capital receipts from its asset rationalisation programme to meet part of its matched contribution. There is no immediate expectation that any significant additional funding source will be available, but opportunities to identify and secure such funding will be actively sought in line with asset rationalisation. There will be a number of major developments taking place on the island over the next years such as the Energy Island Programme, and the possibility of securing funding related to one or more of these are something that will be looked at closely.

The Council's Section 151 officer has confirmed that the level of unsupported borrowing required for the completion of Band A is affordable. The principal risk is the possible non-realisation of capital receipts, but it is anticipated that any shortfall can be made good by use of the remaining headroom for prudential borrowing and by careful management of the rest of the Authority's Capital Programme. In addition, the Executive will continue to maintain an overview of the general affordability through the expectation to approve the detailed business case for each individual project.

Beyond the timeframe for Band A matters must inevitably be less certain, especially given the increasingly gloomy outlook for public expenditure, but at present there is no reason to suggest that the proposed funding profile cannot be sustained at least through to 2023 (i.e. part way through Band C). Beyond this, the lengthy timescales and the number of variable factors involved must inevitably mean that continued affordability will have to be reviewed as the Programme progresses.

Taken from Strategic Outline Programme 21st Century Schools 11th January 2014

So within the five year lifespan of this plan we are likely to see the construction of two new area schools resulting in the closure and sale of six older primary schools buildings.

2.1.2 Office Rationalisation & Smarter Working Project

The original driver for the Smarter Working Project's creation was the desire of the Authority to rationalize its asset portfolio for a variety of reasons including on-going maintenance costs and suitability of buildings as office space. A number of buildings have been identified for closure in the near future which requires a clear plan of how to relocate the staff based within each one; these include:

- Park Mount;
- Rovacabin;
- Penyrsedd House;
- Môn Training Centre;
- Hen Ysgol y Graig
- Cynnal & Genesis Buildings

These properties currently being utilised as office space are not seen as 'fit for purpose' both in terms of the layout and design, and their general condition with no viable options for extensive renovation of any location. Options need to be considered in relation to how to make the best use of the assets at the Authority's disposal whilst seeking to improve the availability and accessibility of services to the end user.

Currently, the satellite offices in use by the Authority houses approximately 200 staff that will need to be relocated once a decision has been made to close their current place of work. The Smarter Working Project will seek to transform the working environment to enable a greater number of staff to use the main Council Offices and/or community based locations as their primary work location which will require a more modern approach to service delivery.

The rising costs of maintaining ageing buildings together with increasing fuel costs has made it necessary to consider whether we are currently making the best use of our portfolio of offices. The cost of office space across the UK varies, however what has been recognised is that 45% to 50% of office accommodation is empty at any one time⁴ and that dedicated workspace for every employee has now become an expensive luxury.

The Authority must reduce its expenditure significantly, and with a funding gap of circa £21million⁵ needing to be met over the next 3 year period, the Council needs to embrace change to meet future challenges and continue to provide high quality services in the future.

Based on an evaluation carried out by Property Services of the office buildings proposed for closure, the following assumptions/approximations have been made in relation to the expected savings to be made from vacating these premises:

⁴ Flexibility.co.uk

⁵ Identified in the 2014/15 Budget report presented to The Executive on 15th July, 2013

Annual Savings:

Rovacabin - £30k

Parc Mount - £52k

Mon Training - £24k

Penyrsedd House - £13k

Hen Ysgol y Graig - £38k

Cynnal - £6.5k

Ty Wil - £15k

Total - £178.5k p.a.

Potential Capital Receipts:

(N.B. Figures dependent upon market conditions at the time of disposal and subject to verification during the development of the Full Business Case)

Rovacabin - £130k

Parc Mount - £300k

Mon Training - £ minimal net receipt allowing for demolition and site clearance costs

Penyrsedd House - £133k

Hen Ysgol y Graig - £ capital receipt already accounted for in relation to relocation of Ysgol y Graig and Ysgol y Bont

Total - circa £600k

Taken from Smarter Working Project Business Case Sept 2014

2.1.2.1 Relocate Training Rooms From Tŷ Will

The current location of these training rooms are not considered suitable as they are located within a building that is not DDA compliant being on the first floor of a building whose only access is via a steep narrow staircase. Additionally the Council leases this part of the building at an annual cost of £15,800 which will be due for renewal in Autumn 2016. So there is an opportunity for savings to be made if alternative accommodation can be identified.

Initially the Main Council HQ was considered as one possibility for their relocation however, as space is limited which will be required to accommodate relocated staff from other building closures, another location is required. At the time of writing this report, a study to identify possible alternative locations has commenced.

2.1.3 Shire Hall

The ground floor of Shire Hall is currently used by the Registrars and the Town Council with the former Court areas currently being used by the Job Evaluation and other HR teams. The rear section of the building previously used by the Police is used for short term document storage and as a base for the Mon Community Transport Team.

The second floor of the building is currently unused and in need of strengthening works to the floor structure. It is also inaccessible to the disabled and generally in need of renovation and updating and if it is to be used for office space which will require significant Capital investment.

The possible use of part of the building for Training Rooms as part of the Smarter Working Project along with emerging aspirations for the use of the building by other projects such as Older Adult Extra Care has been considered but has not been deemed suitable for either project.

An option appraisal needs to be carried out in order to come to a decision about the future of this building which should include amongst others:

- Do nothing maintain the status quo using vacant areas for storage.
- Renovate & improve vacant areas to provide modern accessible office space for renting out or Council use.
- Relocate Town Council & Registrars with a view to selling the building.

So within the five year lifespan of this Asset Management Plan we are likely to see the closure and relocation of staff from Park Mount, Mon Training, Rovacabin, Y Graig, Pen Yr Orsedd, Cynnal & Genesis buildings and the relocation of Ty Wil training rooms to another location.

2.1.4 Older Adult Social Care Transformation

Social Services are looking at future service delivery in relation to its residential elderly care homes. With an aging population it is forecast that the number of people aged 65+ will grow by 40% from 14,000 in 2008 to 20,100 in 2023 and current estimates suggest about half of men and a third of women will need support from social care services as they age.

The current provision through residential care homes is very expensive and in danger of becoming unaffordable with a number of issues forcing the service to look at the future of this provision such as:

- Fewer people are choosing residential care and consultation with the islands residents has shown a preference to staying in their own homes as long as possible. The level of occupancy over the last three years demonstrates that there are on average 18 empty beds in the service each and every week.
- Investment is required to improve the condition of the residential estate. Current backlog maintenance to just bring the homes up to an acceptable standard is estimated to be in the region of £700,000.
- Extensive remodelling will be necessary in the majority of the homes in order to meet 21st Century standards, statutory requirements and the expectations of service users. The cost of this work is likely to be in the region of £1M - £2M.
- The Councils residential estate is mixed in terms of the quality of facilities on offer which generally is at a higher cost than the private sector.
- There are high levels of staff absence.

The service has concluded that maintaining the status quo is not an option and providing more for the same is not possible and really doesn't fit with the community needs and a change in care provision of "Extra Care" in the community is considered as the preferred option and for which there is demonstrable need and demand. Developing Extra Care is now a Council Priority. It has been identified by the service that the priority areas for developing Extra Care are initially in the Amlwch and Llangefni areas, and then in the "South" of the island.

Through public consultation that has taken place in these two areas it is clear older people who are in their own homes are very keen to continue living independently which "Extra Care" supports and most are adamant they do not want to go into residential care.

Additionally it will be more cost effective for the Council to provide Extra Care as opposed to Residential Care. The Service and Finance have projected that over a ten year period a move to Extra Care in these locations, and not operating the residential care homes in these same areas would generate savings of in the region of £7.8M⁶.

From an assets perspective, the implications are that at least two further care homes, currently in Council ownership, will be disposed of once the new Extra Care is opened and it is important to note that these new Extra Care facilities will not be Council owned assets.

A key element in ensuring the successful implementation of Extra Care is having effective partnerships with the third/private sector. The usual model is for a Registered Social Landlord (RSL) usually a Housing Association who provides investment and carries out the development in partnership with the Local Authority who accesses available grants with rents paid by the residents to the RSL.

Initial exploratory meetings have been held between the service and the Chief Executives of the three North Wales Registered Social Landlords in order to investigate their interest in developing Extra Care facilities on the island to replace the current care homes.

The Executive has agreed the Business Plan for implementing Extra Care and agreed that identified sites can be used and sold for Extra Care developments. A process of procurement with the RSLs is currently being initiated. A complimentary bid to the Capital Strategy for additional capital to potentially support the build of Extra Care has also been made.

In addition, work is ongoing with officers from across the relevant services to identify potential sites in the "South" of the island, as well as further local consultation with both political members and local communities. Once there is clarity on sites, further proposals for Extra Care on this part of the island will then be considered.

⁶ Data taken from report by Older Adult Social Care presented to CLBAG 17th July 2014.

Inevitably this change in care provision will have a profound effect on the current residential care home portfolio. At the time of writing this report, the Executive has approved the sale of Garreglwyd Care Home which has now been completed. The current agreement is for Brwynog and Plas Penlan to be de-commissioned once Extra Care in these areas is established. Consideration of the remaining homes is on-going, in part informed by plans for further Extra Care elsewhere on the island and other needs within the Service.

The future of Day Care provision currently being provided from Morswyn Resource Ctr. Holyhead, Gors Felen Llangefni and Blaen Y Coed Haulfre and the Gerddi Haulfre centre will be considered as part of the Learning Disability Transformation Project.

So within the five year lifespan of this Asset Management Plan we are likely to see and need to plan for the closure and sale of Brwynog and Plas Penlan and the building of three Extra Care facilities in Amlwch, Llangefni and “South” of the island areas. Consideration over this period will take place over the future place within the Adult Service Strategy of the remaining care homes in meeting accommodation needs of older people.

Any Capital & Revenue spending earmarked for these buildings over this period will need to be carefully considered to ensure financial resources are not being wasted on a building earmarked for closure.

2.1.5 The Small Holding Estate

A Small Holding Service Asset Management Plan was developed in 2010 in order to provide a strategic focus on the management of the portfolio and to provide a basis for which portfolio related decisions are to be made. It is a framework to ensure the properties are safe and suitable for purpose, the use of the estate assets are optimised to meet the required aims and that costs are minimised and sustainable for the future.

Its main aim is to optimise the smallholding estate to provide suitable and sufficient holdings in order to create opportunities for young farmers to start up within the agricultural industry on the island and to progress in time to becoming managers of fully commercial farming units whilst ensuring a sustainable financial return for the council.

An issue of particular concern has been the condition of the occupied properties, tenant expectations and landlord's obligations which require regular investment in the upkeep & improvement of properties to meet modern living standards. Minimum standards for habitation need to be assured in any property which is let for occupation and historically in some of the properties the Council may not have been meeting these requirements.

This was borne out during the condition survey programme in 2009/2010 where out of 92 small holdings at that time only 36% of properties were identified to be in

satisfactory condition, with 42% found to be in Poor condition and 22% in Bad condition.

A programme for carrying out the necessary improvements was put together funded through the sale of some properties with the capital receipt being ring fenced as was the rental income in order to be able to reinvest in the portfolio to improve their condition. This investment in the estate will ultimately result in increased revenue and improve the capital value of the estate.

To date eight small holdings have been sold to fund this programme having a capital receipt of £2,943,000 with eleven smallholdings currently being offered for disposal to the tenants with estimated receipts of £3,055,000. Twenty nine smallholdings have so far been renovated to date, eight are currently being renovated with a further twelve planned for 2015 / 2016.

Options for increasing available capital funding through further sales for the purpose of renovating the remaining estate will be necessary should the Council decide to retain this portfolio. The current practice of ring fencing the rental income currently in the region of £500k, needs to be challenged and justified as there is currently insufficient funding available for much needed improvements to assets used for front line service delivery.

Once the renovation of the estate has been completed, the Authority through the CLBAG needs to challenge and justify the need for retaining this estate which on the one hand provides economic benefit in the form of long term rental income and socio economic benefits by supporting and assisting the farming community against the short term capital receipts that could be obtained by the sale of most in not all of the estate which currently has a value of £7.9 million.

2.1.6 Housing Strategy

The Local Housing Strategy for 2014 – 2019 sets out how the Council will work across all housing tenures with key partners including housing associations, police, health and private landlords to increase supply of affordable housing and improve homes and communities. The delivery of the Housing Strategy in turn has important links with the Joint Local Development Strategy which will allocate land need for housing development and updates planning policies.

As part of the services strategic housing role and its corporate responsibility, the service needs to identify land and development opportunities for the following three key areas. These could be assisted through the possible reuse of council assets depending on suitability of their location, which highlights the linkage of this plan to the Housing objective of the Corporate Plan.

2.1.6.1 Affordable Housing

The ability to deliver affordable housing to meet the needs of local citizens is an important objective. This affordable housing can include social housing and “intermediate” housing aimed at people who do not need social housing but who

cannot afford market prices. In some locations in the future it will be difficult for affordable housing to be delivered by any means other than a housing association or the Council. It is also important to note that affordable housing supports rural sustainability and the Welsh language.

2.1.6.2 Gypsy & Travellers Sites

The Council has a statutory duty to provide sites for Gypsies and Travellers where a need is found through a Gypsy and Traveller Accommodation Assessment (GTAA). The last GTAA identified a need for a permanent site and stopping places on the island. A new GTAA will be produced later this year in order to identify need and possible suitable locations for these sites. This is a corporate responsibility that has been delegated to the Head of Housing's responsibility.

2.1.6.3 Future Housing Need

In addition to current housing needs, large infrastructure projects planned for the island are likely to have a big impact on housing need in the future with up to 8,000 construction workers requiring housing during the construction of Wylfa Newydd.

There is a risk that existing households could be displaced by the influx of those skilled highly paid workers which landlords will wish to take advantage of if additional accommodation isn't provided for.

2.1.6.4 Housing Revenue Account (HRA)

The Housing Revenue Account Business Plan for 2014 – 2044 sets out how the Council's medium to long term aims and objectives for the Housing Services as landlord will be achieved, which is reviewed on an annual basis.

In December, 2013 the Minister for Regeneration, Housing and Planning for the Welsh Government presented a draft Housing Bill for consultation. There is a prospect that Councils with housing stock will become self-financing from April, 2015. There will be an opportunity for Councils to exit the Housing Revenue Account subsidy system (HRAS).

The Council Housing Service has now exited the HRAS which means since 2nd April 2015 all Council housing assets and income are ring-fenced to the Housing Revenue Account. How ambitious we will be in investing in new housing will partly depend on what restrictions are placed on our borrowing ability which will be negotiated with Welsh Government and funders during 2014/2015. The service will consider developing ourselves on HRA land providing it is affordable and within cost guidelines. We will also continue to discuss and develop affordable housing solutions with the three zoned RSLs and developers, which are grant and non-grant aided.

2.1.6.5 Housing Stock Analysis

The Council has a stock of 3,805 dwellings and 767 garages. The latter are a combination of independent blocks constructed from brickwork or concrete sections, some with asbestos roofing and either traditional timber or metal 'up and over' doors. Others are individual garages within the curtilage of individual dwellings.

Council Housing Stock	2012/13	2013/14
1 bed flats	316	316
2 bed flats	402	402
3 bed flats	15	15
1 bed house / bungalow	395	395
2 bed house / bungalow	933	931
3 bed house / bungalow	1674	1,674
4/5 bed house / bungalow	72	72
TOTAL	3,807	3,805

2.1.6.6 Size of accommodation required

Table below shows the size of accommodation required by households in housing need. The supply distribution is derived from household dataset information on those who have recently moved into affordable accommodation. The last column presents the supply as a percentage of need. This is calculated by dividing the estimated supply of the property size by the derived need for that dwelling size. The lower the figure produced, the more acute the need for affordable accommodation in the area, as the current supply is unlikely to meet the identified need.

Size of additional units required to meet housing need					
<i>Size of home</i>	<i>Need requirement</i>				
	<i>Gross annual need</i>	<i>Gross annual supply</i>	<i>Net annual need</i>	<i>As a % of total net annual need</i>	<i>Supply as a % of gross need</i>
One bedroom	458	65	393	61.9%	14.1%
Two bedrooms	283	216	67	10.6%	76.3%

Three bedrooms	237	134	104	16.3%	56.4%
Four or more bedrooms	71	0	71	11.3%	0.0%
Total	1,049	414	635	100.0%	39.5%

Source: Isle of Anglesey Local Housing Market Assessment, 2013

The Table suggests that there is a net need for all sizes of affordable housing. The largest net need is one bedroom accommodation, followed by three and two bedroom homes. The requirement for one bedroom homes comes partly from single person households.

2.1.6.7 Key Housing Priorities 2014 / 2015

The key priorities identified by the service over the coming twelve months are:

- Undertake a major review of the Housing Allocations Policy to ensure it is fit for purpose, maximising opportunities of working more effectively with Registered Social Landlords.
- Further improvements to rent arrears, former tenants arrears.
- Re-let properties as soon as possible to minimise housing need and maximise rental income to the HRA.
- Ensure that housing estates provide an attractive environment for local residents through involving tenants and communities in identifying, planning and prioritising environmental improvements.
- Taking firm action against tenancy breaches and anti-social behaviour.
- Supporting People - remodel housing related support services.
- Implement fully the remaining IT modules (Orchard) to improve the efficiency and effectiveness of the management of the Council's Housing Stock.
- Implementation of preferred option model for the Housing Building Maintenance Unit (also known previously as Direct Labour Organisation).
- Workforce Learning Needs Assessment to be completed.
- Subject to available finance and Elected Member agreement, commence implementation of agreed option for future of Llawr y Dref
- Priorities for Capital works and update Asset Management Strategy
- Introduce clear and transparent service charges, de-pooling charges from rent.
- Welfare Reform – Action Plan to be delivered to mitigate the effects of Welfare Reform on the HRA Business Plan and support tenants in financial exclusion.
- Expert advice to be sought over the future financing of the HRA as a result of the proposed new HRA self-financing.
- Successful implementation of HRA subsidy buy-out from UK Treasury, subject to Executive Committee and Welsh Government approval.

2.1.7 Highways Asset Management Plan (HAMP)

The Highways Asset Management Plan describes how the Isle of Anglesey County Council will manage its highway assets for the next 5 years. Its main aim is to demonstrate that well maintained local transport assets plus their accompanying infrastructure are essential to the delivery of better transport outcomes and the Local Transport Plan⁷.

The HAMP is a stand-alone document developed by all 22 Welsh Authorities collaborating together under the guidance of Opus Consultants. Based on the information within the HAMP, County Highways received £170M of prudential borrowing for highway maintenance for the period 2012/2013 to 2014/2015.

Although it would be desirable to include all highway assets in the Asset Management Plan, initially the following asset groups will be considered in detail in the life cycle planning process where the objective is to ensure the maintenance of these assets is undertaken in the most cost effective and timely manner.

- Roads (Carriageways)
- Pavements (Footways)
- Structures (Bridges etc.)
- Drainage Systems
- Street Lighting
- Traffic Signals and Pedestrian Crossings
- Highway trees, verges and boundaries
- Signage, Barriers and Street Furniture
- Winter Maintenance

An inventory of the assets which are in scope, their valuation and Capital & Revenue invested during 2014 is shown in **Appendix 4**.

The Highways Asset Management Plan contains detailed data on the following:

- **An Inventory of Highway Assets.** This identifies what information is currently held on the assets and outlines what gaps exist in the data and how these gaps will be closed. The Inventory includes an estimated Asset Value which is based on the Gross Replacement Cost for each asset group.
- **Investment in the Asset.** This gives details of the historical and current levels of spending on each asset group.
- **Asset Condition.** This outlines the current methods of assessing the asset conditions, identifies what data is available, identifies any gaps in the data and outlines proposals to maintain a level of asset condition data sufficient for the county's asset management needs.
- **Levels of Service & Service Options.** This describes the current service determinants, including costs, safety and performance indicators and discusses what other Level of Service Options are open for each asset group, including Lifecycle Plans for each asset group.

⁷ A copy of this HAMP is available by contacting Highways Section

- **Risk Management.** This provides an objective assessment of the risks associated with the various levels of service.
- **Forward Works Programme.** An outline programme of works is developed for each service option across all asset groups and these are used to cost and compare the alternative service options, from which detailed work programmes will be developed.
- **Performance Gaps.** This section identifies the various performance gaps that exist within each asset group.
- **Future Developments / Improvement Actions.** This section lists the actions that are necessary to change the business process and or the organisation culture in order to deliver an asset management approach.

The aim was to develop and maintain this first HAMP concurrently with the other 21 Welsh unitary authorities, thus establishing common standards and parameters which can then be used to compare performance and establish funding needs on a national level. The HAMP will also evolve to take account of the development of policies, priorities, indicators and outcomes.

The potential benefits to be gained by this HAMP include:

- Reduced life-cycle costs
- The ability to track performance using defined levels of service
- Improved transparency in decision making
- The ability to predict the consequences of funding decisions
- Enhanced management of financial, operational and legal risk, and
- Ability to discharge valuation and financial reporting responsibilities.

A formal review of the HAMP will take place every five years at which time a new “Improvement Plan” will be developed in order to assist with the continual improvement of the service.

2.1.8 Waste Management Strategy

The Isle of Anglesey County Council’s (IACC) Waste Management Strategy (WMS) outlines how Anglesey will manage the collection, treatment and disposal of Municipal Waste collected by Isle of Anglesey County Council over the period 2014/15 – 2017/18. A key aim of the Strategy is to improve our environmental performance and to reduce our ecological footprint whilst maximising the use of waste and providing best value.

The following highlights relevant parts of the strategy relating to Land & Buildings.

2.1.8.1 Household Waste Recycling Centres (HWRCs)

There are currently two Household Waste Recycling Centres on Anglesey, which are operated by the Council. These are situated in Gwalchmai and Penhesgyn (near

Menai Bridge) .Both sites are open from 10 a.m. – 5 p.m. five days a week (except Christmas Eve, Christmas Day, Boxing Day and New Year's Day). .

The new Penhesgyn HWRC opened in July 2013 and provides a state of the art split level recycling facility for the West of the County. Both sites (since July 2013) now only accept recyclable waste and all mixed general waste must be sorted into their constituent recyclable materials at the sites. With continual year on year improvements, the HWRC's presently divert over 80% of all waste received for reuse, recycling or composting.

2.1.8.2 Public Conveniences

The Council currently operates a network of 19 public conveniences across the county, some of which are open all year round and others which are seasonal. The provision of public conveniences is a non-statutory function and as such the number of public conveniences has been reduced in recent years from 32 to the current 19 in order to make savings. Some of these have been sold to generate Capital receipts with a number of others taken over by Town & Community councils to run and maintain. Further reductions will inevitably occur over the next few years.

2.1.9 Leisure Function Plan

At the time of drafting this plan the Leisure Strategy was in the process of being developed. Once it has been through the consultation process and approved, it will be used to inform this plan. However, at the end of January 2015 the following decision regarding Llangefni Golf course and Driving Range has been taken by the Executive to transfer the running of the facility to a local community group until 2017. This decision will then be reviewed when the grant clawback conditions will have expired allowing the possible sale of the site.

2.1.10 Library, Youth, Culture & Heritage Assets Strategies

At the time of drafting this plan the Library, Youth and Culture Assets Strategies were in the process of being developed. Once they have been through the consultation process and approved, they will be used to inform this plan.

The Planning Service Built Environment team are developing a project under the Holyhead Vibrant & Viable Places programme to purchase the Holyhead Market Hall building. The project proposes to refurbish the building to provide a community / economic hub that would house the relocated library, provide educational facilities, community rooms, offices and a café area.

By relocating the library from its current location will free up access to the adjacent Ysgol Y Parc site which, if approved, is due for closure as part of the school modernisation programme for the town allowing both sites to be sold as one for development.

2.1.11 Parks, Open Areas & Sundry Properties

- The Parks & Open Areas assets include significant areas of outstanding natural beauty such as Llandwyn Island, Holyhead Country Park, Dingle in Llangefni and Llynnon Mill which attract a significant amount of visitors generating an income to the Council. The Llandwyn, Holyhead Country Park and Dingle sites are managed by the Countryside section of the Planning department who at the time of drafting this plan are in the process of developing strategic plans for each of the three sites in order to ensure their future viability and they will inform this plan once approved.
- There are also a number of public parks, play areas, picnic and amenity areas and beaches that are used for recreational purposes that are managed by Town & Community councils, Leisure & Maritime Service.
- Additionally there are significant areas of grazing land separate from the Small holding estate that are leased out by the Council which generates an income of approximately £17,000 per annum and costs the Council nothing to maintain. The recommendation is to retain these sites as not only do they provide a small income but occasionally we are able to take advantage of market conditions and sell a site for significant Capital receipt.
- There are also 171 “Occupied Land “ sites that consist of Sewerage Treatment Works, electrical substations, land drainage areas and parcels of land adjacent to the highways and also 62 “Undeveloped Land” sites that consist of areas of bare land within Council Housing Estates, beach access areas, and several vacant building plots that are currently being marketed.

The majority of these assets are not required for service delivery, there is no statutory obligation to have them, there is little or no budget available to maintain them, are unsuitable to sell and are in many respects liabilities to the Council which has no option but to retain ownership of them for various reasons.

- The small group of Sundry properties shown in the table below mainly consist of assets that are no longer required for service delivery which in some cases are being put to short term use for storage, office accommodation, leased out etc. until no longer required which will then be disposed of.

Property	Current Use	Future Proposal
Marine Terminal-Amlwch	Workshop areas leased locally & part of main building used as a base for Marine Pilots.	Unknown
Boat Storage Area-Bull Bay	Parcel of land used for boat storage	Maintain Status quo
Hen Ysgol-Llandegfan	Mothballed	To be swapped with RSL land
Former Council Depot – Holyhead	Leased by local Scout Group	Retain until lease expires
Overline Footbridge-Holyhead	Unused & mothballed	Unknown
Land beneath Chandlery Building-Holyhead	Leased to local business	Head lease to be surrendered
Ffridd House-Llangefni	Llangefni Golf Course Greenkeepers house	Dependent on future of Golf Course
Hen Ysgol Y Graig-Llangefni	Short term office & storage. Currently being vacated & marketed	To be demolished and site sold
Hen Ysgol Y Bont-Llangefni	Unused	To be demolished and site identified for possible Extra Care Facility
Mon Training-Llangefni	Building recently demolished	Site to be sold or possibly developed by Economic with additional business units
Station Storage Building-Llangefni	Equipment storage	To be vacated & transferred to local community

2.1.12 Industrial Portfolio

Currently the Authority has 18 industrial sites of various sizes containing some 89 individual industrial units as shown in the table below. These sites have and continue to be developed by the Economic Development service and are managed on a day to day basis by the Estates Team within Property Services. Out of these 89 units, 5 are used by the Authority (operational) such as the depots, and the 11 Fisherman's units in Holyhead are leased from Stena which leaves 69 units and their associated sites which are rented out to local businesses. An additional 7 units have recently been constructed on Llangefni's Penyrsedd site.

1	11ID01000	Copper Bins - Amlwch Port	2
2	11ID04000	Industrial Units - Amlwch Ind Est - Amlwch	4
3	11ID05000	Old National School - Amlwch	3
4	13ID01000	Bodedern Industrial Units	4
5	14ID02000	Industrial Units - Mona	12
6	19ID03000	Fishermans Units - Fishdock Area - Holyhead	11
7	19ID04000	Holyhead Enterprise Centre - Holyhead	12
8	31ID01000	Workshop Units - Llanfairpwll	3
9	33ID02001	Council Depot - DLO - Gaerwen	1
10	33ID02002	Council Depot - Gaerwen (BIFFA)	1
11	33ID02003	Council Depot - Gaerwen (Joinery Workshop)	1
12	33ID03000	Highways Depot - Gaerwen	1
13	34ID03000	Pen Yr Orsedd Development Site 1 - Llangefni	4
14	37ID01000	Old Primary School - Brynsiencyn	7
15	39ID01000	Old Primary School - Menai Bridge	2
16	39ID02000	New Highways Depot - Four Crosses - Menai Bridge	1
17	45ID01000	Rhosyr Workshops - Newborough	4
18	46ID03000	Penrhos Industrial Units - Holyhead	16

At the time of drafting this plan the number of units that are occupied is 79 and the number of vacant units is 10 giving an occupancy rate of 88.76% and the income generated for the last 12 months being in the region of £355,000.

The majority of tenants are on an internal repairing lease which makes it their responsibility to maintain the units internally with the Authority only responsible for the maintenance of any communal internal areas and the external of the units which means there is some cost to the authority in having these units.

Over the previous 12 months approximately £17,000 was spent on maintaining these units and from the latest condition survey data, a backlog maintenance figure of £58,000 was identified which shows it is a relatively low cost activity to keep and maintain these units. By reviewing the rents and introducing a service charge would help towards addressing these maintenance costs and any future rise in costs. The latest asset valuation of this portfolio is £3.39 million and improvement works are ongoing to the units at Penrhos through the VVP programme.

The reason why the Authority has this Industrial portfolio is twofold. Firstly for economic reasons in that it provides the Authority with a significant income and secondly for socio-economic reasons in that it provides a valuable support to small

and medium sized businesses who would otherwise find it difficult to find and afford suitable properties in which to base their business and provide local employment.

These units have and continue to provide a consistent source of income to the Council and the occupancy of these units has remained steady even during the recent recession. With the upcoming opportunities in the energy sector, demand is expected to increase which cannot be met by the private sector. The Council needs to be in a position to take advantage of these opportunities and increase its income by understanding the scope, scale and location of the demand.

The Economic & Community Regeneration service are of the view that new development in modern business premises to meet the expected demand from the energy sector is critical to improving our economic performance. New modern business units are low maintenance which overcome market failure and will provide an increased income stream for the Council.

We also need to ensure that Economic, Property and Finance are all in sync so that when a tenant moves in, rent is collected on the date it is due as maximising rental income from these assets is critical to ensuring their sustainability.

The authority through the CLBAG however, needs to challenge the justification to continue to own the Industrial estates portfolio and the following options should be considered:

1. Do nothing and maintain the status quo.
2. Invest in the estate ourselves by introducing service charges to cover our existing costs and address the backlog maintenance which would ultimately result in increased revenue and improve the capital value of the estate.
3. Sell the estate as a portfolio, where grant conditions allow, and forsake the annual revenue benefits for a one off capital sum.
4. Transfer the estate to a managing agent, trust or partner and share the future liabilities and benefits.

In coming to any decision however, the Authority needs to be aware that there may be Grant Clawback issues on some of the more recently built units which will need to be identified and these will have to be retained by the Authority should a decision be made to sell the Industrial portfolio.

2.1.13 Retail Portfolio

Currently the Authority has 10 Retail sites consisting of 19 individual commercial units leased by local businesses as shown in the table below which are managed on a day to day basis by the Estates Team within Property Services.

1	12CM02000	Market Square - Beaumaris	7
2	12CM03000	Pier Kiosk- Beaumaris	1
3	19CM03000	Landmark Building - Holyhead	1
4	25CM01000	Shop Units - Llanerchymedd	3
5	30CM01000	Benllech Kiosk - Benllech	1
6	30CM02000	Wendon Café - Benllech	1
7	30CM03000	Ice Cream Kiosk - Benllech	1
8	34CM02000	Station Yard - Llangefni	1
9	39CM01000	Shop Units – Menai Bridge	2
10	37CM01000	Brynsiencyn Shop Unit - Brynsiencyn	1

At the time of drafting this plan the number of units that are occupied is 17 and the number of vacant units is 2, generating an income over the last twelve months of £54,800, but potentially could be £82,370 if fully let.

The majority of tenants are on an internal repairing lease which makes it their responsibility to maintain the units internally with the Authority only responsible for the maintenance of any communal internal areas and the external of the units which means there is some cost to the authority in having these units.

Over the previous 12 months approximately £20,585 was spent on maintaining these units and from the latest condition survey data, a backlog maintenance figure of £78,900 was identified. The latest asset valuation of this portfolio is £615,000.

The reason why the Authority has this Retail portfolio is twofold. Firstly for economic reasons in that it provides the Authority with an income and secondly for socio-economic reasons in that it provides a valuable support to small sized businesses who would otherwise find it difficult to find and afford suitable properties in which to base their business and provide local employment.

With the exception of the Wendon Café and the Landmark building, these properties could potentially be sold. The Wendon Café is subject to a medium term redevelopment scheme which could potentially bring in a significant Capital receipt for the site when the new Joint Development Plan is actioned in 2016. The Landmark building is subject to significant EU grant clawback that would far exceed the Capital receipt we would get from the sale of the asset and on that basis should be retained by the Council.

The Authority through CLBAG however needs to justify the reason for continuing to retain the remaining assets within this portfolio and the following options should be considered:

1. Do nothing and maintain the status quo.
2. Invest in the estate ourselves by introducing service charges to cover our existing costs and address the backlog maintenance which would ultimately result in increased revenue and improve the capital value of the estate.
3. Sell the properties individually, where grant conditions allow, and forsake the annual revenue benefits for a one off capital sum.
4. Sell those units which don't generate much income and retain those that do.
5. Transfer the estate to a managing agent, trust or partner and share the future liabilities and benefits.

2.1.14 Maritime Assets

The Maritime Section has the following assets:

1. Amlwch Port – Consisting of Marine Terminal building, two outer breakwaters, Marine Base Quays, Old Harbour, Watch House Pier & Lower Basin Quay and Slipway and Harbour Head Wall.
 - Actively used by a range of different user groups, including pilotage, fishing, private chartering for angling, leisure tours and other private users.
 - Income received from renting workshops, storage, berths, offices and part use of Marine Terminal by Mersey Docks & Harbour Pilotage.
 - Strong heritage and character which appeals to the tourism industry which attracts a large number of visitors
 - Proximity to offshore energy developments.
 - Recent investment to improve accessibility, parking, toilet facilities and amenity areas.
2. Beaumaris Pier – Consisting of 100m solid causeway, 75m fixed piled jetty structure and a floating pontoon.
 - A key asset for Anglesey's tourism sector which has undergone significant redevelopment work.
 - Pier supports the operation of several businesses that use it to launch boat trips. Recently it has attracted new businesses and enabled others to expand.
 - The pier is well used by local residents and tourists for walking, sitting and for leisure fishing activities and forms a focal point for the wider promenade areas.
3. Holyhead Fish Dock – Consisting of a floating pontoon pier, the South quay, slipway, Harbour Masters Office Building, Fishermen's Workshops, Fuel

Storage Tanks and fenced compound all leased from Stena Line Ports Limited.

- Facility used almost exclusively as a fishing harbour used by both the locally based fishing fleet and visiting vessels mooring, landing and maintenance of vessels.
 - Resale of marine oil generates a good income for the Maritime section.
 - Has potential to support future offshore energy projects.
4. St Georges Pier, Menai Bridge – Consisting of the pier, floating pontoon, pedestrian gangway and adjacent waterfront land area.
- Principal use of pier is for the berthing of Bangor Universities marine survey vessel.
 - Part of this facility also used by leisure craft providing tourist experience sailings
5. Moorings
- Maritime have 468 moorings located around the coast of the island which are leased out to local businesses and private boat owners helping to support the leisure industry. These are also a good source of income for the Maritime Section generating an income of £71K during 2014/2015.

2.2 Energy Efficiency

There is a desire to improve the energy efficiency of our buildings, reduce our carbon footprint and make efficiency savings on the cost of power and water used and also invest in renewable energy technology. Currently however, there is not an approved Energy Efficiency Policy in place for our buildings to facilitate this, the policy remains in draft and actions to meet the policy statements in the past have not been achieved due to a lack of resources.

Elected members and the SLT have recently requested that a project be set up to progress this and at the time of drafting this plan a PID has been approved to do this having the following objectives.

1. To baseline the Authority's position in relation to National and Local targets.
2. To have an Executive decision on the preferred options for energy improvement initiatives for the Authority to include clarity on (i) the potential rates of return on capital investments, and (ii) the Authority's ability to meet national and local targets.
3. To have an *Energy Efficiency Policy* adopted by the Authority.
4. To have an implementation plan in place.

Further objectives will be defined by the outcomes of Objective 4

The key drivers for doing this project are:

- Lack of investments will impact on our ability to meet Public Sector targets in the Welsh Government *Climate Change Act 2008*
 - to reduce emissions to a maximum of 0.83 metric tonnes of carbon dioxide equivalent (MtCO₂e), against a baseline of 1.13 MtCO₂e.
 - 3% reduction in emissions year on year
- IoACC have set a local target for a 5% reduction in energy and water usage
- We do not have a clear picture of where we stand in relation to these regional or national targets/benchmarking
- Need to understand the return rates on various options for investment in energy (in relation in particular to Capital investment)
- Elected Members and SLT have requested that a project is established to progress improvements in this area.

The Energy Efficiency Policy was approved by the Council in March 2015, its outcomes will be used to inform this plan.

2.3 Listed Buildings

The Council owns or possesses an interest in 22 different listed buildings which range from schools, Shire Hall, farm houses and old mills etc. which are mostly grade II listed with 5 buildings graded II*. The Listed Building Register is shown in **Appendix 5** of this plan.

In 2002 a Listed Buildings Condition Survey was carried out by consultants for the Planning Service on behalf of the Council which identified three buildings to be at risk, and two to be monitored.

Twelve of these buildings also had condition surveys carried out as part of Property Services Asset Management surveys in 2003 / 2004 which identified a number of issues that required rectifying at an estimated cost of £2,391,208.

These condition surveys now require updating which will include those buildings that were previously omitted which will no doubt identify further issues that require dealing with at an increased estimated cost than previously identified. These new surveys may also increase the number of properties identified as being at risk or require monitoring.

Council owned listed buildings can be a good opportunity to promote good conservation practice if sufficient resources are made available and appropriate uses are made of the buildings. However, these buildings if left vacant for some time which has little if any resources spent on them can deteriorate significantly. When this occurs, listed buildings can be perceived as being costly liabilities for the Council.

The Council needs to be aware that it has a duty to ensure these listed buildings are kept in a good state of repair. Furthermore, “The Secretary of State asks authorities to deal with their own buildings in ways which will provide examples of good practice to other owners. It is particularly important that every effort should be made to maintain historic buildings in good condition ...” (Circular 61/96).

The Planning Service in conjunction with Property previously prepared the following strategy and action plan to safeguard the listed building stock and to reduce the number which were at risk or required monitoring:

- Establish and confirm an up to date definitive record/database of council owned/leased listed buildings.
- Create a single point of contact responsible for information as regards listed buildings in the ownership of the council.
- Seek corporate / political support and commitment to preserve the council owned listed building stock.
- Compile an individual listed building manual.
- Carry out an updated detailed survey of the buildings most at risk.
- Prepare a programme of maintenance and repairs of at risk buildings and establish a priority list for urgent repairs.
- Make provisions for budgetary planning and bids for external funding.
- Establish a five year maintenance regime.
- Establish a programme to monitor vacant buildings on a regular basis.
- Consider marketing strategies for reuse of vacant buildings.
- Establish guidelines for their possible disposal.

Unfortunately due to a lack of resources and budget constraints some of the recommendations in the action plan have been put on hold until finances become available by way of grants or capital / revenue bids and to date no further progress has been made.

Although a number of these assets are currently being considered as part of the service transformation projects and strategies that are taking place. In order to identify a way forward and to ensure these assets don't become liabilities to the Council. This strategy and action plan requires reviewing and updating by the CLBAG to reflect the Councils current objectives and priorities and its “fit” within this plan.

The Museums & Culture service has recently had condition surveys carried out on Beaumaris Gaol and Courthouse which has resulted in a Capital bid being submitted for £231,000 to deal with the essential works that have been identified as necessary following these surveys.

2.4 Asset Rationalisation

During the five year period of the previous asset management plan, the Council identified various operational and non-operational land & building assets for potential disposal. The aim of this asset rationalisation programme is twofold, the reduction of revenue costs and maximising opportunities for capital receipts through the sale of surplus assets.

The Council's Asset Policy and Procedures are used for all disposal processes, acquisitions and leasing arrangements. Through this process, the potential for reuse by any Council services and the consideration of possible local issues is established. Disposal of property is subject to an assessment of market forces and conditions prevalent at the time, planning constraints, future strategic factors and the need for receipts to support its capital programme. It should be noted the Policy and procedures document will remain unchanged by the adoption of this plan.

The likelihood of an enhanced stream of capital receipts is tempered by market forces and the availability of surplus property. The Council has identified property assets for a programme of disposal and there have been significant success in the disposal of assets over recent years.

The Council however does not hold a large bank of property assets which can command a high sale value which could be used to support the funding gap that exists in the capital programme which the Council is unable to bridge by utilisation of internal funding opportunities alone. The Council will therefore need to remain alert to possible future opportunities for external grant funding. Such funding however tends to be orientated toward capital schemes, whereas the demand identified to date by the asset management process shows a requirement for increased revenue funding to deal with the backlog maintenance issues which were highlighted in Key Driver 4 of this plan.

Asset rationalisation and the provision of sustainable facilities for the future are key issues that need to be addressed if this short fall is to be remedied in order to ensure the ideal size of the Councils estate closely meets the objectives of being fit for purpose, sufficient, in good condition which ultimately is affordable.

Over the next five years there could be potentially 20 buildings that will no longer be required by the services if the projects run to plan and are successful in their Capital funding bids. In addition to these there may be further land & building assets that become surplus to requirements which can be sold, dependent on the outcome of

the option appraisals that have been recommend to justify the Councils retention of some of its property assets.

As these surplus properties are released for sale, they will be added to the Property Disposal Programme managed by the Estates Team within Property Services. This programme tracks the progress of assets being sold from initial marketing through to completion.

The procedures currently used for selling our assets needs to be reviewed and amended where necessary as currently it is taking too long to sell an asset and banking the much needed Capital receipt.

Additionally, the criteria used for deciding to transfer an asset rather than selling also need to be reviewed and challenged. There are numerous bodies that could make a case for the value of asset transfers and careful thought on the impact on communities should be given before any decision to reduce opportunities for such transfers is taken.

The table listing those assets that have been identified for possible rationalisation by the various projects and programmes that are currently in progress together with a possible date they may become surplus to requirements is shown in **Appendix 6** of this plan. This list will be added to as the work of other projects progress identifying further assets which may become surplus to requirements during the lifetime of this plan.

2.5 Conclusion and Action Plan

Anglesey faces a potentially transformative decade ahead with major projects such as Wylfa Newydd, Land & Lakes and other science, technology and tourism projects across the island being planned which will provide considerable opportunities to improve the economic prosperity of the island and will have a considerable impact on the services the Council provides.

The Council and the services it delivers are in a period of unprecedented change with the majority of services going through major reviews and transformation which was highlighted in section 2.1. The outcomes from these will lead to significant changes in the nature of services provided and the way in which they are delivered.

Future service delivery will be very different from anything that could have been envisaged at the time most of our assets were built which will have an impact on the asset estate. The Council through this plan needs to review whether it has the assets it needs now and identify what it is likely to need to meet future requirements of its citizens.

Additionally, with a need to save approximately £17 million over the next three years, the draft Efficiency Strategy has identified a number of ideas for making savings which are asset related. Asset management therefore has a contribution to make in relieving these current budgetary pressures and assist the Council in achieving the objectives of the Corporate Plan and assisting the Efficiency Strategy.

The following action plan has been developed which lists the actions that have been identified to date from what has been covered in this plan and will continue to evolve and record future actions as service strategies are further developed over the lifespan of this plan.

DRAFT

Asset Management Action Plan

Ref	Action	Owner	Outcomes	Target Date	Progress Update	Date Completed
1	Confirm strategic decision with regard to future Leisure, Library, Youth, Museums & Culture provision	Corporate Directors & Heads of Service	Service strategies developed agreeing future direction of service provision & highlighting effect on assets. AMP updated.	April 2017	Service strategies currently being drafted	
2	Development & adoption of a corporate energy policy	Property Services	Reduction in energy & water consumption and achieve sustainable running costs for all council property	March 2015	Draft PID completed & Energy Efficiency Policy approved by Council March 2015	March 2015
3	Complete programme for renovation of Small holding estate	Property Services	Improvement in estate portfolio, reduction in liabilities and increase in value of estate	April 2018	Latest batch of properties currently being renovated	
4	Carry out option appraisal on industrial portfolio to justify retention of estate or recommend selling	CLBAG/Economic/Property	Capital receipt from sale or identified means of increasing income to reinvest & increase value of estate.	April 2018		
5	Carry out option appraisal on retail portfolio to justify retention of estate or recommend selling	CLBAG/Economic/Property	Capital receipt from sale or identified means of increasing income to reinvest & increase value of estate	April 2017		
6	Carry out option appraisal to determine future use of Shire Hall	CLBAG/Property	Investment & full use made of asset or capital receipt from sale	April 2019		
7	Develop strategic plan for Holyhead Country Park, Llanddwyn Island & Llangefni Dingle	Planning Countryside Service	Strategy developed in order to ensure future viability of the 3 sites	March 2018	Holyhead Country Park has a draft strategy in place which requires formal adoption	
8	Review & challenge service strategies through CLBAG meetings & update Asset Management Plan	CLBAG/Property Services/Asset Manager	Up to date Asset Management Plan maintained	Ongoing	Plan to be reviewed and updated as and when strategic decisions taken on future of land &	

					building assets	
9	Review Listed Building Strategy & Action Plan	Planning Built Environment/Asset Manager	Up to date Listed Building Strategy / Action Plan	March 2017		
10	Carry out option appraisal on Smallholding portfolio to justify retention of estate or recommend selling	CLBAG	Capital receipt from sale or identified means of increasing income.	March 2019		
11	Review "Policy & Procedures" document for selling assets in order to speed up process	Property	Policy & Procedures updated to reduce time taken to get assets marketed and sold.	April 2016	Policy has been looked at by Scrutiny panel looking at how we buy & sell assets. Recommendations to be made to Exec Policy be amended	
12	Review criteria for choosing to transfer an asset over selling	Property	Policy & Procedures Document updated. Increase in assets being sold for capital receipt over transferring to community	April 2016	Policy has been looked at by Scrutiny panel looking at how we buy & sell assets. Recommendations to be made to Exec Policy to be amended	
13	Carry out area reviews in order to identify similar services being provided by other public bodies or the private sector that could take over certain non-statutory services should the Council decide to withdraw them.	CLBAG	Spatial plan to assist decision making	March 2018		

Appendix 1 – Summary of Current Capital Budget 2014/2015

Projects	Budget	Slippage	Total	Expenditure		Comments
	2014/15 £'000	2013/14 £'000	£'000	£'000	%	
Housing	6,634	2,365	8,999	2,507	28	
Housing Revenue Account (HRA)	5,734	1,351	7,085	1,569	22	During Q1 & Q2, the expenditure incurred was mainly on the planning of slippage schemes from 2013/14. By now, we have procured the 2014/15 programme and spend is expected to increase in Q3.
Private : Grants & Loans	900	621	1,521	870	57	The grants and loans schemes are expected to have been spent by the year end.
Affordable Housing	0	393	393	68	17	Priorities continue to be considered jointly with the funding required for the mortgage rescue/home buy scheme, which will benefit from a contribution from Cymdeithas Tai Eryri.
Education	1,720	1,049	2,769	737	27	
21st Century Schools Contingency	0	789	789	0	0	
21 st Century Schools	0	61	61	16	26	There has only been minimal spend on 21 st century schools for the year to date on site investigations and site appraisal works.
Flying Start Capital Expansion Programme	720	0	720	25	3	There was only limited spend up to the end of Q2 on planning application, ecology and engineering services. Work is due to commence on site in the Autumn although, due to a risk of significant overspend, project costs are now being re-evaluated.
Education : Other	1,000	199	1,199	696	58	This relates to minor works schemes in various schools. The budgets are fully committed. Work is progressing with over half of the budget spent up to the end of Q2.
Regeneration	4,491	2,106	6,597	2,213	34	
Econ Dev: Strategic Infrastructure - Sites and Premises	1,666	215	1,881	820	44	Construction of the 4 units at Pen Yr Orsedd is now completed and the handover is expected in Q 3. A bid to secure additional WEFO funding to construct a further 3 units has been approved, with the work due to begin in Q3.
Econ Dev : Other	650	721	1,371	328	24	This relates to the match-funding Cyfenter Scheme, Local Investment Fund Grants, Anglesey Business Centre Extension Plans, Anglesey Coastal Environment Project and Public Conveniences.
Property: Smallholdings Programme of Improvements	250	0	250	74	30	The smallholdings programme of improvements, financed from the ring-fenced capital receipts from the sale of smallholdings and rental income, is in its fifth year. The 8 schemes currently on site as part of the electrical installation programme is nearing completion. Refurbishment of four houses is progressing with one other scheme due to start towards the end of the financial year, whilst a further two refurbishment schemes will be tendered in the autumn. The programme continues to run ahead of capital receipts, with a deficit of £2,051k brought forward from 2013/14, to which must be added any expenditure in 2014/15. The programme of income generation is showing signs of improvement, with capital receipts of £631k agreed this financial year and major sales anticipated to take place in the second half of the year.
Physical Regeneration (3 Towns)	0	1,170	1,170	633	54	The budget is to be spent on projects and properties within the Holyhead Townscape Heritage Initiative.
Highways: Local Government Borrowing Initiative 2014/15	1,800	0	1,800	358	20	The works are expected to gain momentum during the year, being weighted towards the second half of the year. It is expected that all the programmed works will be completed by the year end.
Other	1,947	1,407	3,354	813	24	
Highways : Other	650	378	1,028	473	46	This budget relates to vehicles, structures, carriageways, car parks and street lighting, which are progressing as anticipated.
Property: Other	770	453	1,223	117	10	This all relates to disabled access and building risk management work, Holyhead Fishdock and extensions to two cemeteries, one in Llanddona and the other in Llanbedrgoch.
ICT: Strategy	150	456	606	0	0	No expenditure on ICT: Strategy during the year to date.
Social Services: Other	377	120	497	223	45	The expenditure incurred here includes the refurbishment of Brwynog Care Home, the purchase of a number of laptops and the purchase of specialist equipment, such as profiling beds.
Total	14,792	6,927	21,719	6,270	29	

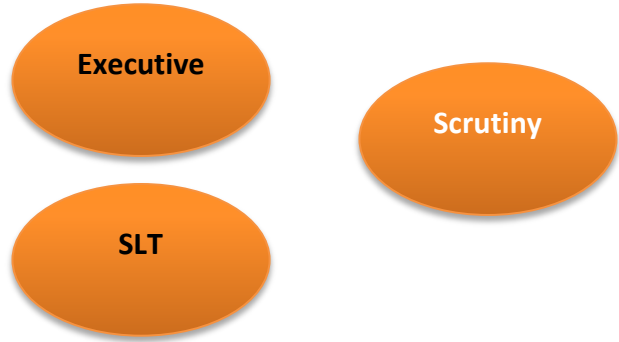
Slippage 2013/14 £'000	Budget 2014/15 £'000	SERVICE	Detail of the planned Capital Expenditure	Budget Amount ('000)	External Funding (specific grants & contributions) ('000)	Cost borne by IOACC ('000)
		Housing				
		Public Sector Housing :				
1,351	5,734	Housing Revenue Account Capital Programme	Planned Maintenance on Council Houses	5,350	2,600	2,750
			WHQS Planned Works 2014-15 - Unallocated contingency	400		400
			WHQS Change of Tenancy 2014-15 - Unallocated contingency	350		350
			Environmental Works 2014-15 - Unallocated contingency	250		250
			Sheltered Housing Review - Unallocated contingency	735		735
		Private Sector Housing Schemes :				
621	900	Private Sector Housing Grants and Loans Schemes	Energy Efficiency Grants 14-15 programme	171		171
			First Time Buyer Grants 14-15 programme	314		314
			Disabled Facilities Grants 14-15 programme	851		851
			Emergency Repair Grant	21		21
			Empty Home Grants / Loans	140		140
			Fire Safety Grant	24		24
393		Affordable Housing Schemes	No further information	393		393
2,365	6,634	Total Housing		8,999	2,600	6,399
		Education				
	720	Flying Start Capital Expansion Programme	Adjustment to Flying Start Building, Holyhead	720	720	
850		21st Century Schools Contingency	Capital Costs & design fees Ysgol y Llannau. Planning for new School in Holyhead	61		61
			Contingency	789		789
199	1,000	Schools - Refurbishment	Ysgol Syr Thomas Jones - Toilet Refurbishment	100		100
			Ysgol Uwchradd Bodedern - Replacement Boiler and Roofing works	525		525
			Ysgol Gyfun Llangefni - Works on school car park, re-wiring, Doors and the Fire Alarm system	110		110
			Ysgol David Hughes - Fire Risk	50		50
			Ysgol Uwchradd Caergybi - Science Block, Roof, Boiler	200		200
			Ysgol Gynradd Y Borth - Toilets	30		30
			Ysgolion – Legionella Risk	50		50
			Ysgolion Gynradd – Rewiring & Lights	50		50
			Ysgolion Gynradd – Fire Alarms	30		30
			Ysgolion Gynradd – Boilers	30		30
			Unallocated budget	24		24
1,049	1,720	Sub-Total		2,769	720	2,049

Slippage 2013/14 £'000	Budget 2014/15 £'000	SERVICE	Detail of the planned Capital Expenditure	Budget Amount ('000)	External Funding (specific grants & contributions) ('000)	Cost borne by IOACC ('000)
		Economic Development				
215	1,666	Strategic Infrastructure on Anglesey - Sites and Premises	7 new units on Penyrsedd site and building demolition of Môn Training	1,881	1,500	381
277		Matchfunding Cyfenter Scheme	This is Run by Menter Môn and it's the Councils contribution in giving out grants to third sector community economic enterprises.	277		277
	130	Local Investment Fund Grants	The Council gives out grants to local businesses	130	100	30
	25	Anglesey Business Centre Extension Plans	Plans in 2007 to extend the centre. Updating and reviewing these plans to submit for planning application to extend Business Centre	25		25
	495	Anglesey Coastal Environment Project	Porth Dafarch, Holy Island	125	125	
			Yacht Station pontoons, Menai Bridge	57	57	
			Beach Road, Rhosneigr	107	107	
			Slipway, Treaddur Bay	57	57	
			Harbour Viewing Area, Cemaes Bay	57	57	
			Access for All Beach, Cemaes Bay	92	22	70
444		Other	No further information	444		444
936	2,316	Sub-Total		3,252	2,025	1,227
		Property				
	250	Smallholdings (Ringfenced programme)	No Programme on Small Holdings	250		250
2	200	Disabled Access to Public Buildings	Ysgol Syr Thomas Jones - Disabled Access	5		5
			Ysgol Gyfun, Llangefni - Disabled Access	40		40
			Ysgol Uwchradd Caergybi - Disabled Works	30		30
			Ysgol Gynradd Fali - Disabled Works	10		10
			Ysgol Esceifiog - Disabled Works	30		30
			Ysgol Llanfechell - Disabled Works	15		15
			Secondary schools unallocated DDA	50		50
			Contingency: General	22		22
143	450	Buildings Risk Management & Structural Maintenance	Primary Schools - Legionella Risks Unallocated	50		50
			Primary Schools - LPG Unallocated	30		30
			Primary Schools - Kitchens unallocated	50		50
			Various - Compliance with Legionella ACOP	50		50
			Last Trading Post - New Window	3		3
			Post Office Brynsiencyn - Flat Roof	3		3
			Council Depot - Asbestos Removal	10		10
			Unit 2 Bodedern - Convert window to door	2.5		2.5
			Old National School - Roofing	15		15
			Old National School - Retaining Wall	5		5
			Foel Fawr Access - Access Track	4		4
			All properties - Fire Risk	17		17
			All properties - Boilers	100		100
			All properties - LPG Safety Programme	50		50
			Contingency: General	203.5		203.5
(3)	120	Extension to Llanddona Cemetery	Extending the Llanddona Cemetery	117		117
110		Llanbedrgoch Cemetery Extension	Extending the Llanbedrgoch Cemetery	110		110
130		Holyhead Fishdock	No further information	130		130
11		Asset Management Option Appraisal	No further information	11		11
40		Wendon Cafe	No further information	40		40

20		Other	No further information	20		20
453	1,020	Sub Total		1,473		1,473
Slippage 2013/14 £'000	Budget 2014/15 £'000	SERVICE	Detail of the planned Capital Expenditure	Budget Amount (‘000)	External Funding (specific grants & contributions) (‘000)	Cost borne by IOACC (‘000)
		Waste				
	125	Waste Containers Storage Compound - Penhesgyn	The monies will be used in connection with Waste Container Storage Compound in Mona, The storage compound would replace the area currently occupied at Bryn Sunsur. - Cancelled	125		125
0	125	Sub-Total		125		125
		Planning				
1,170		Physical Regeneration (3 Towns)	Projects & Properties within the Holyhead Townscape Heritage Initiative	1,170	1,120	50
1,170	0	Sub-Total		1,170	1,120	50
		Highways and Transportation				
	1,800	Local Government Borrowing Initiative	Carriageway Resurfacing	1,490		1,490
			Drainage Improvement	170		170
			Footway reconstruction	140		140
(28)	200	Carriageways	Pengorffwysfa to Llaneilian	72		72
			Tregele Village	30		30
			Ravenspoint Road, Trearddur Bay	70		70
51	50	Car Parks	No programme on Car Parks	101		101
35	180	Structures	Aberffraw	90		90
			Llanfairynghornwy	90		90
			No further information	35		35
(3)	20	Street Lighting	Looking at the age of lamps and replacing the less efficient lamps	17		17
(3)	50	Estate Roads and Footways	No Programme on Estate Roads & Footways	47		47
237	150	Vehicles	To purchase Fleet Vehicles – due to go to tender	387		387
89		Beaumaris Flood Alleviation	Reduce the risk of floods in Beaumaris	89	72	17
378	2,450	Sub-Total		2,828	72	2,756
		Corporate				
456	150	ICT Strategy	ICT Backup System	150		150
			Update Windows XP to Windows 7	37		37
			Microsoft Exchange	75		75
			3Comm Refresh	50		50
			PSBA fibre to schools	50		50
			Additional Cost for Backup Systems	20		20
			Replacement of 2003 servers	100		100
			Provision for Microsoft and Oracle licensing costs	30		30

			Additional costs for XP replacement	20		20
			ICT Contingency	74		74
456	150	Sub-Total		606		606
Slippage 2013/14 £'000	Budget 2014/15 £'000	SERVICE	Detail of the planned Capital Expenditure	Budget Amount (‘000)	External Funding (specific grants & contributions) (‘000)	Cost borne by IOACC (‘000)
		Social Services				
120		Brwynog	Refurbish Brwynog Care Home	120		120
	377	Intermediate Care Fund	24/7 Health and Social Care support service	5	5	
			Embedding intermediate care Pharmacy role into primary care	5	5	
			Provision of Equipment and Adaptations	90	90	
			Telecare Equipment	30	30	
			Mobile and Smarter Working	97	97	
			Specialist Equipment	50	50	
			Co-location of MDT Staff	20	20	
			Community Hubs	80	80	
120	377	Sub-Total		497	377	120
4,562	8,158	Total - General		12,720	4,314	8,406
6,927	14,792	TOTAL BUDGET		21,719	6,914	14,805

Data copied from Executive Budget Monitoring Report 2nd Quarter 2014/2015



Scrutiny – Holds decision makers to account, policy review / development, performance & improvement monitoring.

SLT – Guides the strategic direction of the Council.

Executive
Overall authority and oversight. Escalation from the *Transformation Programme Boards* as per the Constitution & Scheme of Delegation

Transformation Programme Boards - Realise the benefits of the Transformation Plan. Ensure programme/projects are managed and delivered. Prioritisation and allocation of funding.

Programme/Project Boards - Governs the individual Programme/Projects, reporting progress to the assigned Transformation Programme Boards.

Corporate Land & Built Assets Group - holistic management to ensure the best use of the Authorities' assets (inc. disposal) – monitoring of large accommodation schemes.

Capital Allocations & Review Group – (based on Business Case requests) allocating the Capital Budget in the short, medium & longer term and reviewing the spend.

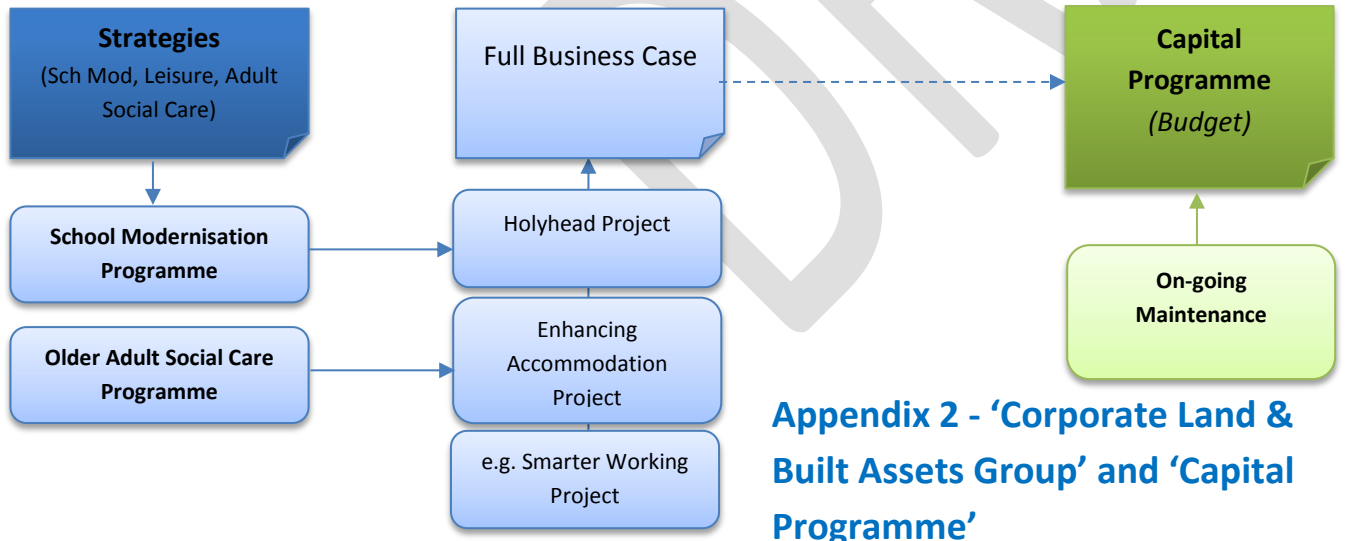
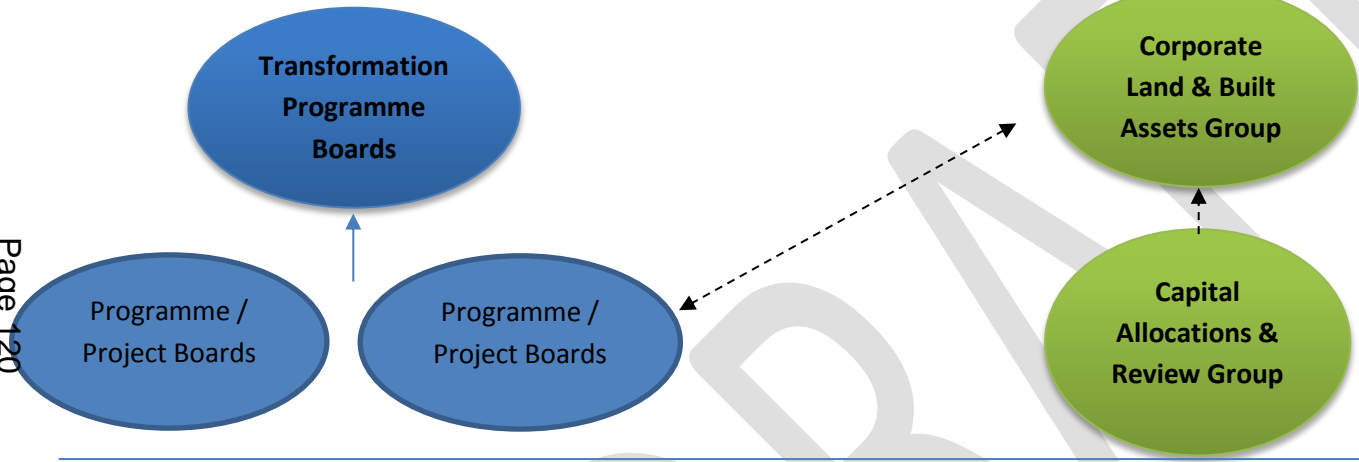
Capital Programme (Budget)
The record of the Authorities' capital budget

On-going Maintenance
The planned and unplanned maintenance of assets

Strategies
The strategic direction for the Service over a medium to long-term

Programmes/Projects
Delivering complex change in response to the Strategy

Full Business Case
Details the viability of the change and identifies a preferred option



Appendix 2 - 'Corporate Land & Built Assets Group' and 'Capital Programme'

Appendix 3 - Summary of Asset Condition Data (Excluding Housing & Highways Assets)

Indicator	Data Item(s)	2013-14	2012-13
The percentage of the gross internal area of the local authority's buildings in condition category A - Good	The amount of GIA in condition category A - Good (m ²)	34,903	29,519
	The total amount of GIA in all the local authority's buildings (m ²)	168,640	164,041
	PI value	20.7	18.0
The percentage of the gross internal area of the local authority's buildings in condition category B - Satisfactory	The amount of GIA in condition category B - Satisfactory (m ²)	124,731	124,876
	The total amount of GIA in all the local authority's buildings (m ²)	168,640	164,041
	PI value	74.0	76.1
The percentage of the gross internal area of the local authority's buildings in condition category C - Poor	The amount of GIA in condition category C - Poor (m ²)	7,197	7,837
	The total amount of GIA in all the local authority's buildings (m ²)	168,640	164,041
	PI value	4.3	4.8
The percentage of the gross internal area of the local authority's buildings in condition category D - Bad	The amount of GIA in condition category D - Bad (m ²)	1,809	1,809
	The total amount of GIA in all the local authority's buildings (m ²)	168,640	164,041
	PI value	1.1	1.1
The percentage of the total value of required maintenance for the	The value of required maintenance for works of priority level 1	3,925,148	3,809,448

local authority's buildings assigned to works of priority level 1 - Urgent	The total value of required maintenance for the year	18,019,256	19,337,304
	PI value	21.8	19.7
The percentage of the total value of required maintenance for the local authority's buildings assigned to works of priority level 2 - Essential	The value of required maintenance for works of priority level 2	7,878,495	9,301,243
	The total value of required maintenance for the year	18,019,256	19,337,304
	PI value	43.7	48.1
	The value of required maintenance for works of priority level 1 and 2	11,803,643	13,110,691
The percentage of the total value of required maintenance for the local authority's buildings assigned to works of priority level 1 (Urgent) or level 2 (Essential)	The total value of required maintenance for the year	18,019,256	19,337,304
	PI value	65.5	67.8
	The value of required maintenance for works of priority level 3	6,215,613	6,226,613
The percentage of the total value of required maintenance for the local authority's buildings assigned to works of priority level 3 - Desirable	The total value of required maintenance for the year	18,019,256	19,337,304
	PI value	34.5	32.2
	The total value of required maintenance for the year	18,019,256	19,337,304
The total value of required maintenance for local authority's buildings per square metre of gross internal area (GIA)	The total amount of GIA in all the local authority's buildings (m ²)	168,640	164,041
	PI value	106.85	117.88

Appendix 4 - Inventory of Highway Assets, Valuations & Investment 2014
(Data taken from Road Asset Valuation Report June 2014)

Table 1.1 Road Assets				
Asset Type	Quantity	Quantity Added During Year		Comment
Carriageways	1180.8 km	0.3	km	
Footways	440.746 km	0	km	
Cycle Tracks	km		km	
Structures: Bridges	207 no.	0	no.	
Structures: Retaining Walls	350 no.	0	no.	
Highway Lighting	8046 no.	22	no.	
Street Furniture (approx)	24575.6 no.	0	no.	
Traffic Signals (junctions)	1 no.	0	no.	
Pedestrian Crossings	22 no.	0	no.	
Land	ha.		ha.	

Table 1.1A Road Assets Added During the Year		
Asset Type		
Carriageways	0.3	km
Footways	0	km
Cycle Tracks	0	km
Structures: Bridges, culverts, subways	0	No.
Structures: Retaining Walls	0	No.
Highway Lighting (Columns)	22	No.
Highway Lighting (Luminaires)	160	No.
Street Furniture (approx)	0	No.
Traffic Signals (junctions)	0	No.
Pedestrian Crossings	0	no.

Table 1.1B Road Assets Disposed During the Year		
Carriageways		
Carriageways	0	km
Footways	0	km
Cycle Tracks	0	km
Structures: Bridges, culverts, subways	0	No.

Table 1.1B Road Assets Disposed During the Year		
C carriageways		
Structures: Retaining Walls	0	No.
Highway Lighting (Columns)	0	No.
Highway Lighting (Luminaires)	155	No.
Street Furniture (approx)	0	No.
Traffic Signals (junctions)	0	No.
Pedestrian Crossings	0	no.

Table 1.2 Road Asset Valuation Summary			
Asset Type	Gross Replacement Cost (000)	Depreciated Replacement Cost (000)	Annualised Depreciation Cost (000)
Carriageway	£852,480	£794,482	£4,478
Footway	£29,242	£7,011	£2,333
Structures	£51,665	£48,321	£264
Street Lighting	£30,192	£20,081	£789
Street Furniture	£9,337	£4,672	£468
Traffic Signals	£803	£613	£44
Land	£0		£0
Total	£973,719	£875,179	£8,376

Table 1.5 Current Roads Budgets by Capital and Revenue (000)				
Current Roads Budget	Total £	Revenue £	Capital £	Notes
Carriageways	£3,307	£3,107	£200	£1,280,000 (LGBl)
Footways and Cycle Tracks	£295	£245	£50	£170,000 (LGBl)
Structures	£540	£334	£207	
Highway Lighting	£544	£524	£20	
Street Furniture	£95	£95	£0	
Traffic Management Systems	£77	£77	£0	
Land	na	na	na	
Employee Costs	£0	£0	£0	
Overheads	£0	£0	£0	
Total	£4,857	£4,380	£477	

Comment

Investment levels for carriageways falls short of annualised depreciation by some margin. (21%) which demonstrates the low amount spent on maintaining these assets

Appendix 5 – Listed Building Register

38SSO1000	Old Rectory Llanfechell (Not at risk)	Social Services	£21,500
46LEO 2000	Part South Stack Holyhead (Not assessed)	Museums & Culture	£75,000
45POO1000	Llandwyn Lighthouse & Cottages (Not assessed)	Planning	£20,000
39POO4000	St Georges Pier & Booking Office Menai Bridge (Not at risk)	Property	
46SSO2000	Toll House Holyhead (Not at risk)	Property	£16,000
11EDO2000	Ysgol Syr Thomas Jones Amlwch (Not at risk)	Education	£1,300,000
35HEO2000	Haulfre Stables & Outbuildings (Not assessed)	Social Services	£85,000
47LEO1001	Melin Llynnon Llanddeusant (Not at risk)	Museums & Culture	£17,000
31HE07000	Tollgate Llanfairpwll (Not at risk)	Housing	
12LEO3000	Beaumaris Gaol (Not at risk)	Museums & Culture	£231,000
12LEO4000	Beaumaris Court House (Not at risk)	Museums & Culture	Included in above
11SPO4000	Mona Windmill Amlwch (To be monitored)	Property	
11SPO1000	Lighthouse & Watchtower Amlwch Port (Not at risk)	Property	
11EDO5000	Old National School Amlwch (Not at risk)	Property	
34OFO2000	Shire Hall Llangefni (At risk, structural overloading Archives)	Property	
12SSO1000	David Hughes Community Centre/Library Beaumaris (Not assessed)	Museums & Culture	
13EDO2000	Ysgol Gynradd Beaumaris (Not assessed)	Education	£538,000
18SHO3000	Caerau Llanfairynghornwy (Small Holding) (At risk)	Property	
45SH05000	Quirt Dwyran (Small Holding) (At risk)	Property	£84,800
41SHO7000	Braint Farmhouse (Small Holding) (At risk)	Property	
46OLO4000	Old Customs Post Porthdafarch (At risk)	Property	
19ED08000	Cybi Block Holyhead High School (At risk)	Education	
	Gunpower Magazine, Breakwater Country Park (Not at risk)	Planning	

Appendix 6 – Rationalization Register

Property	Possible Surplus Date ⁽¹⁾	Asset Valuation (2013) ⁽²⁾	Possible Saving On Building Maintenance ⁽³⁾
Ysgol Parch Thomas Ellis - Holyhead	2016/2017	£1M	£234K
Ysgol Gynradd Llaingoch - Holyhead	2016/2017	£826K	£154K
Ysgol Y Parc – Holyhead	2016/2017	£1.1M	£120K
Ysgol Llanfachraeth	2017/2018	£580K	£158K
Ysgol Llanfaethlu	2017/2018	£510K	£28K
Ysgol Llanddona	Closed 2014	£375K	£51K
Parc Mount Offices - Llangefni	2015/2016	£300K	£93K
Pen Yr Orsedd Offices - Llangefni	2014	£133K	£14K
Mon Training - Llangefni	2014	£297K	£176K
Cynnal Offices - Llangefni	2015/2016	£78K	£180K
Genesis Offices - Llangefni	2015/2016	£27K	£18K
Rovacabin - Llangefni	2015/2016	£130K	£20K
Garreglwyd Care Home - Holyhead	2015	£575K(MV)	£72K
Plas Penlan Care Home - Llangefni	2017/2018	£1.8M	£55K
Brwynog Care Home - Amlwch	2017/2018	£884K	£70K

1. Possible surplus to requirement dates which are very much dependent on the projects progress.
2. The valuations are Asset Valuations i.e. what they are worth to us now for service delivery and not what we would hope to get from their sale.
3. Building Maintenance figures from 2012/2013 Condition Surveys

DRAFT

Date: October 2015

Status: Draft

Version: For Approval

Author: Chris Staddon – Corporate Assets Transformation Manager

Approval Date:

DRAFT

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Executive Committee
Date:	14 December 2015
Subject:	Council Housing Development Strategy 2015-2020
Portfolio Holder(s):	Aled Morris Jones
Head of Service:	Shan Lloyd Williams
Report Author:	Ned Michael – Housing Services Business Manager
Tel:	01248 752289
E-mail:	NedMichael@ynysmon.gov.uk
Local Members:	

A –Recommendation/s and reason/s
<p>To approve the Council Housing Development Strategy 2015 – 2020.</p> <p>As a result of buying out of the Housing Revenue Account subsidy system in April 2015, we have the freedom as a Council to begin developing Council houses which will in turn increase the supply of social housing needed in the county.</p> <p>The aim of this Strategy is to establish the main principles we will be applying as we move towards increasing our social housing stock, whether that be through building or buying council houses in the future.</p> <p>The 30 year Business Plan for the Housing Revenue Account which is reviewed and approved annually, sets specific objectives with regard to the type of housing we will be building / buying and in which specific areas.</p> <p>When specifying areas for development, we will give consideration to factors such as any Council buildings which may be available, demographic changes and economic growth, general welfare, reducing the effects of poverty and building communities.</p> <p>This Business Plan will be submitted to the Housing Services Board for guidance and approval and then to the Senior Leadership Team and the Executive Committee for approval before being presented to Welsh Government by an as yet unspecified date for 2016/17, however, we are working towards March 2016.</p>

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

this option?

Option 2 – not to develop social housing and retain any surplus which becomes available from the housing revenue account's activities in the Council's reserves. It was felt that this did not correspond with two of the Council's corporate aims, namely to Increase our Housing Options and Reduce Poverty together with Regenerating our Communities and Developing the Economy.

C – Why is this a decision for the Executive?

This is a decision for the Executive Committee as it lays a foundation for our vision to Develop Council Houses for the future and for agreeing on the main principles which will need to be included in such a strategy.

Clause 9 of the strategy refers to considering establishing a Subsidiary Company or a Special Purpose Vehicle. I wish to emphasise that this means considering the advantages and disadvantages to the Council of so doing and is not a decision to establish a Subsidiary Company.

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

This decision is consistent with two of the Corporate Priorities which have already been approved by the full Council, namely:-

- i) Increasing our Housing Options and Reducing Poverty
- ii) Regenerating our Communities and Developing the Economy

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

The targets contained in the Council Housing Development Strategy for the period 2015 – 2020 are in accordance with the provision contained within the Housing Revenue Account 30 year business plan.

A provision of £13.798m has been included in our business plan for purchasing existing properties and developing new builds.

This expenditure will mainly be funded from the Housing Revenue Account together with a loan of £2.6m from our borrowing cap which is around £13m and the interest costs on the loan will be paid from the Housing Revenue Account.

E – Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	
2	Finance / Section 151 (mandatory)	Comments were received from the Section 151 Officer with regard to the financial criteria we shall be using to assess the financial viability of new developments. We shall agree annually with the Section 151 Officer the exact financial projections which will be used when assessing financial viability with regard to loan interest rates, inflation, bad debtor provision etc.
3	Legal / Monitoring Officer (mandatory)	Comments received during the meeting of the SLT. No concerns expressed.
5	Human Resources (HR)	N/A
6	Property	Sent
7	Information Communication Technology (ICT)	N/A
8	Scrutiny	
9	Local Members	A members' briefing session was held on 1 st October to agree on the main principles of the strategy.
10	Any external bodies / other/s	JPPU

F – Risks and any mitigation (if relevant)		
1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	

FF - Appendices:
Council Housing Development Strategy 2015 – 2020 Acquisition Programme 2015-16 (so far) Possible developments sites 2016-17

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

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ISLE OF ANGLESEY COUNTY COUNCIL

Council Housing Development Strategy 2015 – 2020 "Quality Homes: Sustainable Communities"

1. Introduction

The County Council aims by 2017 to be a professional, well-run Council that is innovative in its approach, and is committed to developing our people and partnerships in order to provide high quality, efficient and effective services that are valued by our citizens.

Two of the corporate priorities for realising this are:-

- Increasing our Housing Options and Reducing Poverty
- Regenerating our Communities and Developing the Economy.

This Council Housing Development Strategy will lay the foundation for realising these priorities.

During the life of this Development Strategy it is expected that Anglesey Council's Housing Services will start developing social housing within the Council's boundaries in order to add 95 homes to our social housing stock of 3,800 homes which are already managed by us.

We will fund these developments through our ability to borrow money after buying out of the Housing Revenue Account subsidy system in April 2015 as well as applying for funding from phase II of the Housing Finance Grant by the Welsh Government.

This strategy has been drawn up during very exciting times for Local Authorities in Wales and in an economic climate where there is an increasing demand for affordable housing, at a time where we will see the Wylfa Newydd development moving forward.

We will investigate any development opportunities, whether these are opportunities with or without capital grants, to increase the supply of affordable housing on Anglesey.

We aim to split our development programme so that a third comprises purchases to our current housing stock of former Council homes that were previously lost from our housing stock through the right to buy, and for two thirds of the programme to be new developments.

In terms of new developments we will focus on increasing our housing stock in areas where there is an identified need for affordable rented housing where consideration will be given to other factors such as Council buildings that may be available, demographic changes and economic growth, general welfare, reducing the effects of poverty and community development.

As well as developing in the more urban areas of the County we will also look at building new dwellings on:-

- exempt land, i.e. land that adjoins villages, towns.
- in villages rather than towns where the Rural Housing Enabler has conducted a survey of local housing needs.
- opportunities arising in light of commitments by private developers under the requirements of Section 106 Agreements they have on housing schemes.
- regeneration projects e.g. town centres, empty houses/redundant buildings, multiuse projects such as living space above shops which would attract other capital grant contributions towards their development e.g. VVP.
- Other assets currently in the Council's ownership

In order to ensure the success of our Development Strategy it is essential that we have sound Financial Rules and Governance arrangements in place which have been approved by the full Council.

2. Our Stakeholders

To enable us to realise this development strategy, our main stakeholders are the Elected Members, our tenants, the Housing Department in the Welsh Government (WG), the Housing Partnerships as well as registered social landlords.

The rural housing enabler along with planning officers and Community Councils will have a key role in assisting us to realise this strategy in relation to new development.

Since April 2011, the island's Social Housing Grant allocations have been managed by us as a Local Authority for the registered social landlords who operate across the island, and it is important to ensure that this development strategy works alongside the priorities that are included within the Social Housing Grant programme and any other capital grants that are available for the supply of affordable housing on the island.

It is essential that the Housing Service establishes and maintains a good working relationship with private developers in order to allow us to take advantage of/influence any development opportunities that may arise which respond to local housing needs in towns and rural villages.

3. Types of Development

This development strategy will focus on the following core principles in terms of the types of development:-

- New build
- Purchasing existing properties including former Council houses that have been lost through the right to buy.
- Developing intermediate market rented housing
- Mortgage Rescue cases
- Extra Care Schemes
- Supported Housing Schemes
- Ensuring the condition, suitability and quality of our current housing stock

- Land purchases to be developed through new build.

New Build

We will aim for two thirds of our development programme to comprise of new build in areas where there is an identified need for affordable rented housing. For the duration of this strategy the priority will be to build two bedroom homes in order to address the needs resulting from Welfare Reform.

In the first place we will look for land that is already owned by the Council and no longer used e.g. school sites or libraries etc.

Consideration will also be given to development on exempt lands and within rural villages where affordable housing needs surveys undertaken by the rural housing enabler express and evidence a genuine need for affordable housing within the area.

Consideration will also need to be given to the suitability of the site/scale of the proposal against the policies/designations in the Council's development plan (land use).

In developing any new housing it must be ensured that they meet the Development Quality Requirements as issued by the Welsh Government for Registered Social Landlords and that they meet a minimum of level 3 of the Code for Sustainable Homes.

Where possible, consideration should be given for any new developments to reach level 4 of the Code for Sustainable Homes and consider piloting level 5 or 6, although there are much higher cost implications for developments reaching level 4 or higher. In the context of maximising the sustainability levels of houses, consideration should be given to maximising our income by looking at receiving income through the "Feed in Tariff" for Photovoltaic systems on houses or income from Renewable Heat Incentives towards the houses' heating systems.

The costs of developing new homes will be required to comply with the Acceptable Cost Guidance levels issued by the Welsh Government for Registered Social Landlords.

Purchasing Existing Properties

The aim is for a third of our development programme to focus on purchasing existing dwellings. Priority will be given to purchasing former Council houses which were previously lost through the right to buy scheme, in the most sustainable communities where there is an identified need for affordable rented housing.

We will ensure that the properties can be brought up to the Welsh Housing Quality Standard and also ensure that they meet the Development Quality Requirements. The total cost of purchasing and upgrading the properties will need to comply with the Acceptable Cost Guidance issued by the Welsh Government for Registered Social Landlords.

Intermediate Market Rent Housing

The intermediate market rent model was historically developed for social landlords to be able to offer rented homes at a higher rent level than the general rent because they received a smaller social housing grant towards their development and consequently had to borrow more private funding towards their development.

The rent levels of intermediate market housing are usually around 80% of comparable house rents on the open market and they are usually more appealing to professional people or couples who may want to become owner-occupiers sometime in the future but who may not have been identified as having a high need for general rented housing.

The main employment centres and the largest towns in our area of operation are usually the places where an intermediate rented housing model should be considered, and particular consideration should be given to tenants who are able to afford the rent levels but who are not eligible to receive a housing benefit towards the rent and who are also looking to buy their home in the future.

In developing intermediate market rent housing it must be ensured that they meet the Development Quality Requirements as issued by the Welsh Government for Registered Social Landlords and that they meet a minimum of level 3 of the Code for Sustainable Homes.

In order to develop intermediate market rent housing, funding sources should be considered such as phase II of the Housing Finance Subsidy by the Welsh Government.

Mortgage Rescue Scheme

The purpose of Mortgage Rescue Schemes is to assist homeowners who have found themselves in financial difficulties, and are likely to have their homes repossessed by their mortgage lender which will in all likelihood lead to them being homeless.

The scheme ensures that homeowners are able to continue living in their homes by selling the property to the Council and then continuing to live in the property as tenants.

In the first place the applicant should be assessed by Homelessness Officers.

The rules of Mortgage Rescue state that, in the first place, support from the Home Buy scheme should be given to the owners who are in financial difficulties. This should be done in partnership with a Registered Social Landlord where a Social Housing Grant allocation would be provided to purchase a shared equity of the property which will enable the owners to have a smaller mortgage and stay in their home.

In circumstances where the owners do not have sufficient equity in their homes the Council would consider buying the property from them and then offer tenancy of the property to the former owners.

Evidently before proceeding with the purchase, the property would need to meet the expected standards and the purchase price would need to be within the Acceptable Cost Guidance.

Extra Care Housing

The purpose of extra care schemes is to respond to the housing needs of an ageing society and to promote the independence and well-being of older people by facilitating the provision of care to people in their own homes to avoid admission to residential care homes.

We will usually only give consideration to developing extra care schemes within the largest towns in the county.

Building specialist homes for older people releases family homes that are now too large for their housing needs and allows best use of the housing stock.

These are schemes that provide self contained flats within a larger scheme for the elderly. Normally a minimum of 30 units are required to make a scheme financially viable and for it to be affordable for residents.

A number of different communal facilities will be provided within the scheme such as a restaurant, lounges etc. and other social services will also be provided to the residents.

The Social Services Department would be responsible for commissioning the care provision for such schemes.

The housing provision within Extra Care Schemes would usually be funded by a Social Housing Grant but we are eager to look at providing Extra Care Schemes without any social housing grant or possibly through the allocation of a Phase II Housing Finance Subsidy from the Welsh Government or through a partnership with another agency as a Special Purpose Vehicle.

Such a scheme would require close collaboration between the Housing Department, the Planning Department, Social Services, the Welsh Government and other partners such as Registered Social Landlords and private developers.

Supported Housing Schemes

In partnership with the Social Services Department or partners, we could look at developing Supported Housing Schemes.

Such schemes would have to be funded 100% through loans or the Phase II Housing Finance Subsidy by the Welsh Government or through a partnership with another agency as a Special Purpose Vehicle.

Before proceeding with any such development, confirmation would be required of the need and demand for such units. These could be units that result from the remodelling of existing schemes, for example specialist accommodation for people with learning disabilities.

Ensuring the Condition, Suitability and Quality of our Current Housing Stock

As we proceed to increase our housing stock through this strategy we must ensure that the condition of our current stock continues to meet the requirements of the Welsh Housing Quality Standard and that our stock remains suitable for our tenants and prospective tenants.

For schemes where we see a high turnover of tenants and face letting difficulties, consideration should be given to remodelling these schemes wherever practical or to consider disposing of them in accordance with our Asset Management Strategy and our Corporate Assets Strategy.

In cases where we would dispose of any property owned by the HRA we would reuse any capital receipt to develop other social housing units in their place.

Land Purchases

In order to safeguard sites to be developed in the future, consideration should be given to buying land to be banked for affordable housing developments in the future.

In considering such land, the following headings should be addressed:-

- The general location – is there an appropriate need for affordable housing in the town or village?
- Planning – is the location likely to be afforded priority and be approved by the Planning Department?
- Orientation – can the site be developed to maximise its southerly aspect in relation to sunlight.
- Flood plain – the site is not located in a position which would be considered by Natural Resources Wales to be at risk of flooding.
- Local services are available fairly close to the site – schools, shops, post office etc.
- It is a pleasant location to live in.

Land purchases may be split into the following categories

- Purchase of Private Land (Building Package)

Purchase land as part of a development package with private developers i.e. land with detailed planning permission for the development of housing with the aim and agreement that the developer will build the houses sometime in the future.

- Use the Lands of the HRA and purchase land from other Council Departments

These lands can be lands within village boundaries e.g. surplus schools following schools' rationalisation, other buildings or exempt land with or without planning permission.

- Purchase of Private Land

We can also consider buying private land to add to the land bank with the future aim of building affordable housing or other specialist provisions on the site.

Outline or full planning permission would be required before approving such a land purchase.

4. The Development Process

We will be focusing our development activities in areas where there is an identified need for affordable housing within the Common Housing Register, the current Development Plan, Tai Teg and the Local Housing Market Assessment.

Before proceeding to develop any affordable housing scheme, it is essential to secure local support for the scheme through early consultation with communities and local members.

Rural Housing Enabler – Any rural development on exempt land would require the Rural Housing Enabler's input. The role of the Enabler is to state officially through housing surveys that there is a genuine need for affordable housing in rural areas.

It is not practically possible to obtain any planning permission before this initial work is completed in order to evidence the need for affordable housing.

Local Members – the support of the Local Members is crucially important for realising affordable housing schemes successfully in rural communities.

Local Community – there will be a need to establish public events with the local community in order to communicate positively with the community regarding any development and also explain the procedures below.

Choices for the tenants – Where practically possible, consideration should be given to providing choices on the finishes to any prospective tenants. In practice choices could be provided for:-

- i. Kitchens – a maximum of 3 types of choices from an official list.
- ii. The Colour of Floors – the kitchen and bathroom
- iii. Paint Colour for the Walls – a maximum of 3 choices.

In order that the tenants may have an input into the choices, as an appropriate measure, the Allocations Team will have to provide a list of prospective tenants to the Development Team at least 3 months before completing the work on the site.

As good practice we will seek our tenants' views on the quality, design and finish of our new housing developments within 6 months of the moving in date.

Feedback should be provided on the following headings for each development:-

- The layout of the site – communal areas, gardens etc.
- The design of the houses – the external finish and floor layout i.e. the size and shape of the internal rooms.
- Green Technologies – a number of new technologies are likely to be adopted in the future. These technologies will need to be measured and evaluated carefully by measuring the positive and negative elements.
- The effect that the new home has had on our tenants' living environment.

5. Development Standards and Sustainability

At present, level 3 of the Code for Sustainable Homes is the minimum expected by the Assembly's Development Quality Requirements for new affordable housing developments which are allocated a Social Housing Grant.

Although as a Council we will not receive a SHG, we believe it is good practice to aim to set an expected standard in terms of sustainability in order to ensure that the homes we develop are efficient in terms of their energy use and are affordable for our tenants to heat.

Where possible, we should consider building new houses to exceed level 3 of the Code as well as (pilot) developments to level 5 (or 6), similar to Passiv houses.

However, there are significant cost implications for any developments that reach level 4, 5 and 6 and to realise this we should be looking at sources of income generation which are offered by the Government for the production of renewable energy, for example:-

- a) "Feed in Tariffs" – these involve annual repayments in return for producing electricity through Photovoltaic solar panels. We will see annual repayments by the Government for the production of electricity for 25 years. As a baseline, the repayments are expected to cover the capital cost of the solar panels within 10 years with the remaining payments set against the cost of the property. The tenants will also benefit from the electricity that is generated as it will reduce their annual electricity bills.
- b) Renewable Heat Incentive – very similar to the FIT but these are repayments for generating heat through either hot water solar panels, ground source heat pumps or air source heat pumps.

6. Funding New Developments

After buying out of the housing revenue account subsidy system, the Council has a borrowing cap of £13m which is adequate to fund the aspirations of this Strategy.

Before committing to any new development an adequate source of finance must be secured to fund the development in question whether this is through a Phase II Housing Finance Subsidy allocation or any other capital grants which would be available e.g. VVP.

It must be ensured that the development programme does not take the Housing Service above the amount which has been set as the borrowing cap.

7. Risk Management and Assessing the Financial Viability of New Developments

Managing risk is a key part of steering a development strategy and there are many factors that could change within the process of developing properties. These could be factors related to the cost of the development or associated with the lack of demand for the types of units that have been developed.

In order to manage the risks associated with the cost of the development we can look at the type of agreement we will use with the developer for the development e.g. a 'design and build' agreement where the developer would be liable for any costs and risks associated with the design.

In considering any new developments, a comprehensive financial viability assessment should be undertaken on the development. The financial viability assessment would consider the following factors:-

- The cost of the development
- The duration of the building agreement
- Any capital grants
- The amount of loan
- The number and type of units
- The weekly rent of the units
- The % interest cost of the loan
- % Inflation
- Reactive maintenance costs
- Planned maintenance costs for the future
- Development control costs
- A provision for rental income losses

The following criteria should be used for undertaking the financial viability assessment.

- i. That the scheme does not produce a cumulative financial deficit at any time which is greater than the amount of the original loan.
- ii. That the cumulative deficit between income and expenditure in any one year is no more than £500 per unit.
- iii. That the cumulative income and expenditure is paid back by year 20.
- iv. That the current net value of the development is a positive figure.

If a development does not fully meet the above financial criteria within the financial viability assessment the Housing Services Board can approve the development upon receipt of evidence of the importance of the development to the Council.

9. Establishing a "Special Purpose Vehicle" Subsidiary Company

In order to facilitate the process of increasing our Council housing stock consideration should be given to establishing a subsidiary company of the Council.

There are advantages to establishing such companies, these would include ensuring that the tenants of our new homes would not have right to buy, and such a subsidiary company would be in a better position to be able to accept properties that do not meet the Development Quality Requirements should we wish to do this, for example, following the Wylfa Newydd development period, the developer might have workers' accommodation that are no longer required.

10. Targets 2015 – 2020

2015/16	10	(current housing stock units)
2016/17	40	(27 new, 13 current housing stock)
2017/18	15	(10 new, 5 current housing stock)
2018/19	15	(10 new, 5 current housing stock)
2019/20	15	(10 new, 5 current housing stock)

11. Managing Performance

It is essential to have performance management procedures in place during the development process.

For new developments we will monitor:-

- The cost against the budget
- The number of local jobs and apprenticeships created
- Length of time of the development against the agreement
- The standard of the finish on building work
- The design of the scheme
- Tenants' satisfaction
- The annual programme – performance against the strategy's targets
- The role of the Housing Services Board in the process.

Council House Development Program 2015/16

Target 10 Units
 Budget £1,372,000

	Address	Type	Size	Purchase
Completed	5 Tan yr Efail, Caergybi	House	5p 3b	£76,500
Completed	27 Tan yr Efail, Caergybi	House	5p 3b	£75,000
Completed	33 Tan yr Efail, Caergybi	House	5p 3b	£45,000
In Process	Caergybi	House	5p 3b	£67,500
Completed	32 Pencraig, Llangefni	House	5p 3b	£69,500
In Process	Caergybi	Flat	4p 2b	£65,000
In Process	Amlwch	House	4p 2b	£93,000
In Process	Caergybi	House	4p 2b	£97,000
Total			8	£588,500
Possible				
	Valley	House	4p 2b	
	Pentraeth	Bungalow	4p 2b	
	Llangefni	House	4p 2b	
	Beaumaris	Flat	4p 2b	

Possible Areas for Council House Development 2016 - 17

Scheme Details	Financing	Units		Land		Planning Permission			Tender	Timescale		
Site/Area		Rent	Type	Who owns the Land	Any difficulties	Outline	Detail	Any foreseen planning difficulties		Start on Site	Practical Completion	Existing Houses
Llanfaethlu	HRA	10	House	Council/Private		No		No		Sep-16	May-17	
Pentraeth	HRA	10	House	Private		No		Exception Site		Sep-16	May-17	
Caergybi	HRA	6	Flat	Private		Yes		No				Oct-17
Biwmares	HRA	5	Flat	Private		No		No		Jul-16	Mar-17	
Y Fali	HRA	10	House	Private		No		No		Jan-17	Sep-17	
Llanfachraeth	HRA	6	House	HRA		No		No		Jan-17	Sep-17	
Former Council Houses	HRA	14	House	Private								Mar-17
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