



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

**GŴYS A RHAGLEN**

**SUMMONS AND AGENDA**

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for a

**CYFARFOD O  
GYNGOR SIR  
YNYS MÔN**

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

a gynhelir yn

to be held at the

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

**COUNCIL CHAMBER  
COUNCIL OFFICES  
LLANGFNI**

**DYDD MAWRTH  
29 MEDI 2015**

**TUESDAY  
29 SEPTEMBER 2015**

**→ am 2.00 o'r gloch ←**

**→ at 2.00 pm ←**

# A G E N D A

**1. MINUTES**

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

7<sup>th</sup> April, 2015 (Extraordinary)  
14<sup>th</sup> May, 2015 (10.30am)  
14<sup>th</sup> May, 2015 (2.00pm)  
3<sup>rd</sup> September, 2015 (Extraordinary)

**2. DECLARATION OF INTEREST**

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

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

**4. PRESENTATION OF PETITIONS**

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

**5. STATEMENT OF ACCOUNTS 2014/15**

- To submit the report of the Interim Head of Function (Resources)/Section 151 Officer, as presented to the Audit Committee on 23rd September, 2015.
- To accept the recommendations of the Audit Committee on 23rd September, 2015.

**6. ANNUAL PERFORMANCE REPORT (IMPROVEMENT PLAN) 2014/15**

- To submit the report of the Head of Transformation.
- To report that the Executive upon consideration of the above at their meeting on 21st September, 2015 had **RESOLVED to recommend to the County Council that it accepts the recommendations contained within the report.**

**7. ANNUAL TREASURY MANAGEMENT REVIEW 2014/15**

- To submit the report of the Interim Head of Function (Resources)/Section 151 Officer.
- To report that the Executive upon consideration of the above at their meeting on 21st September, 2015 had **RESOLVED to recommend to the County Council that it accepts the recommendations contained within the report.**

**8. CONSTITUTIONAL CHANGES SCRUTINY PROCEDURE RULES**

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

- To report that the Executive upon consideration of the above at their meeting on 20th July, 2015, had **RESOLVED to recommend to the County Council that it accepts the recommendations contained within the report.**

**9. PROVISION OF FREE BREAKFAST CLUBS IN PRIMARY SCHOOLS**

To submit the report of the Head of Learning.

**10. MOTION RECEIVED PURSUANT TO RULE 4.1.13.1 OF THE CONSTITUTION**

To submit the following Notice of Motion by Councillor Aled Morris Jones:-

*“We urge Anglesey County Council to write to the Ministry of Justice seeking retention of the Magistrates Courts in Holyhead and Llangefni.*

*Since the Act of Union in 1563, the present Magistrates Courts have been administering the Justice of the Crown in the County of Anglesey.”*

**11. 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 meeting during discussion on the following item on the grounds that it may involve the disclosure of exempt information as defined in Schedule 12A of the said Act and in the attached Public Interest Test”.

**12. APPOINTMENTS OF ASSISTANT CHIEF EXECUTIVE**

To confirm the recommendations of the Appointments Panel on 28<sup>th</sup> August, 2015.

**13. 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 meeting during discussion on the following item on the grounds that it may involve the disclosure of exempt information as defined in Schedule 12A of the said Act and in the attached Public Interest Test”.

**14. CHIEF OFFICER SEVERANCE PACKAGES**

To submit the report of the Head of Profession (Human Resources).

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**ISLE OF ANGLESEY COUNTY COUNCIL**

**Minutes of the meeting held on 7 April 2015**

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

Councillors Raymond Jones, Lewis Davies, R Dew, Ann Griffith, John Griffith, D R Hughes, K P Hughes, Victor Hughes, W T Hughes, Llinos Medi Huws, A M Jones, G O Jones, H E Jones, R LI Jones, R.Meirion Jones, Richard Owain Jones, Jeffrey M.Evans, R G Parry OBE, Dylan Rees, J A Roberts, P S Rogers, Alwyn Rowlands, Dafydd Rhys Thomas and Ieuan Williams

**IN ATTENDANCE:** Chief Executive,  
Corporate Director (Lifelong Learning),  
Corporate Director (Community),  
Interim Head of Function (Resources)/Section 151 Officer,  
Head of Profession – Human Resources,  
Head of Democratic Services (Items 1 to 4 only),  
Legal Services Manager (Items 1 to 4 only),  
Acting Accountancy Manager (Items 1 to 4 only),  
HR Strategy Manager (Items 1 to 4 only),  
Committee Officer (MEH) (Items 1 to 4 only),  
HR Operations Manager.

**ALSO PRESENT:** None

**APOLOGIES:** Councillor T LI Hughes, Carwyn Jones, Alun W Mummery and Nicola Roberts

**1. DECLARATION OF INTEREST**

The Legal Services Manager referred to Item 5 of the Agenda which deals with the job evaluation process and equal pay. He stated that it was apparent that numerous Elected Members had relatives working for the Council and following consultation with the Group Leaders the Head of Function (Council Business)/Monitoring Officer arranged a Dispensation Panel of the Standards Committee to request a dispensation for those Elected Members. The Dispensation Panel resolved to grant a dispensation pursuant to paragraph 2(d) of the Code of Conduct to those Elected Members who considered that they had prejudicial interest so as to take part in the discussion on the item but not vote.

Declarations of prejudicial interests and reliance on the dispensation granted due to family members working for the County Council were received by the following in respect of Item 5 :-

Councillors Lewis Davies, Jeff M. Evans, T.V. Hughes, Llinos M. Huws, H. Eifion Jones, R.Ll. Jones, R.O. Jones, Bob Parry OBE, J. Arwel Roberts, Dafydd R. Thomas, Ieuan Williams.

Councillors R. Meirion Jones and Dylan Rees declared that they are former employees of the Council. Councillor Dylan Rees stated that he obtained legal opinion from the Monitoring Officer and was advised that he would be allowed to speak on Item 5 but if he argued for back-pay for former employees he would therefore have a prejudicial interest and would not be allowed to vote. Councillor R. Meirion Jones also stated that he would not vote if back-pay was argued for employees.

The following Officers of the Council declared a prejudicial interest in Item 5 and left the meeting before discussion of the item as the matter may directly affect the salary scale of their posts and terms and conditions of employment:-

Head of Democratic Services, Legal Services Manager, Acting Accountancy Manager, HR Strategy Manager and Committee Officer.

## **2. EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED to adopt the following :-**

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

## **3. STAFF APPOINTMENTS - APPOINTMENT OF CHIEF EXECUTIVE**

**RESOLVED to ratify the recommendation of the Appointments Committee held on 27th March, 2015 to appointment Dr. Gwynne Jones as Chief Executive as from 1st June, 2015.**

## **4. EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED to adopt the following :-**

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

## **5. JOB EVALUATION IMPLEMENTATION AND EQUAL PAY**

- To consider the recommendations of the Pay and Grading Review Panel held on the 17th March, 2015.
- To submit the report of the Head of Profession Human Resources.

Councillor Alwyn Rowlands outlined the recommendations of the Pay and Grading Review Panel held on the 17<sup>th</sup> March, 2015 and proposed that the Full Council accept the recommendations. Councillor Rowlands thanked the Human Resources service and all parties involved for their commitment and hard work with the project over the past two years.

The Head of Profession Human Resources went through the report and recommendations in detail, highlighting the associated risks with the recommendations of the Pay and Grading Review panel on the 17<sup>th</sup> March 2015. She also updated the report verbally and informed members of the current compromise position put forward following further negotiation with the Trade Unions following the meeting of the Pay and Grading Review Panel on the 17<sup>th</sup> March 2015. The Interim Section 151 Officer outlined the financial position and confirmed that the recommendation presented to the Pay and Grading Review Panel was affordable.

Following consideration of the recommendations of the Pay and Grading Review Panel and the additional information, including the risks highlighted, presented by the Head of Profession Human Resource and the Interim Section 151 Officer, it was proposed to support the recommendations of the Pay and Grading Review Panel:

**In favour:**

Councillors Dylan Rees, R Meirion Jones, Alwyn Rowlands, Richard A Dew, Kenneth P Hughes, John Griffith, Gwilym O Jones, Peter Rogers, Derlwyn R Hughes, William T Hughes, Aled Morris Jones, Raymond Jones, Jim Evans, Vaughan Hughes.

**Against:**

No members voted against.

**The following declared a prejudicial interest:**

Councillors Robert G Parry OBE, Lewis Davies, Llinos M Huws, Jeffrey M Evans, Dafydd R Thomas, Richard O Jones, H Eifion Jones, Ieuan Williams, T V Hughes, J Arwel Roberts.

**It was RESOLVED to accept the recommendations of the Pay and Grading Review Panel held on the 17th March, 2015.**

The meeting concluded at 3.30 pm

**COUNCILLOR VAUGHAN HUGHES  
CHAIR**

DRAFT

# ISLE OF ANGLESEY COUNTY COUNCIL

## Minutes of the meeting held on 14 May, 2015

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

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

**IN ATTENDANCE:** Chief Executive  
Director of Lifelong Learning/Chief Executive Designate  
Director of Community (*not present for item 16*)  
Interim Head of Resources & Section 151 Officer  
Head of Council Business & Monitoring Officer  
Head of Democratic Services (*not present for item 18*)  
Head of Profession (HR) (for item 18)  
Interim Accountancy Services Manager (*not present for item 18*)  
HR Operations Manager (for item 18)  
Committee Officer (ATH) (*not present for item 18*)

**APOLOGIES:** Councillors Victor Hughes, Nicola Roberts

**ALSO PRESENT:** Mr Michael Wilson (Chair of the Standards Committee) (for item 11)

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### 1 MINUTES

The minutes of the meetings of the Isle of Anglesey County Council held on the dates noted below were presented and confirmed as correct:

- 26<sup>th</sup> February 2015
- 30<sup>th</sup> March, 2015 (extraordinary)

### 2 DECLARATION OF INTEREST

Councillor R. G. Parry, OBE said with regard to item 18 on the agenda that he had been granted dispensation to speak on the matter and that he would therefore remain in the Chamber for the discussion thereon but would not vote on the issue. He sought clarification whether an interest therefore needed to be declared.

The Head of Council Business and Monitoring Officer advised that those Members who have an interest in relation to item 18 by virtue of a family member being in the employment of the Isle of Anglesey County Council but who have been granted dispensation to participate in the discussion on the matter still need to declare the interest. She confirmed that the dispensation is still effective.

The following Members subsequently declared an interest with regard to item 18 but confirmed that they would be taking part in the discussion thereon having been granted dispensation to do so but would not be voting –

Councillors Lewis Davies, Llinos Medi Huws, Trefor Lloyd Hughes, H. Eifion Jones, Alun Mummery, Richard Owain Jones, R. G. Parry, OBE, Dafydd Rhys Thomas, John Arwel Roberts, and Ieuan Williams.

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

The Chair made the following announcements –

- Congratulations to Mr Albert Owen on his re-election as the Parliamentary Member for the Isle of Anglesey.
- Congratulations to all the Island's school children who competed over the weekend in the Urdd national sports competition.
- Best wishes to all those who will be competing in the Urdd National Eisteddfod in Caerphilly at the end of May.
- Congratulations to the Llangefni Young Farmers Club which came top in the Anglesey Young Farmers Rally over the weekend.
- Best wishes to all those who will be competing in the Anglesey Eisteddfod in Ysgol Syr Thomas Jones next weekend.
- Best wishes also to all those who will be competing in the Spring Show in Llanellwedd over the weekend.
- Condolences are extended to the family of Alderman Mrs M.A. Edwards MBE of Parc Glas, Bodorgan who died in March at the age of 103. Mrs Edwards gave a lifetime of public service to the Island and was still a governor of Ysgol Bodorgan at the time of her death. She fulfilled that role for 75 years.
- Condolences are similarly extended to the family of former Councillor R. L. Owen of Beaumaris. Mr Owen was Chair of the County Council from 2002 to 2003 and served on the Anglesey Borough Council as well as the County Council.
- Condolences are also extended to any Member of the Council or its staff who have suffered a bereavement.

The Members and Officers stood in silence as a mark of sympathy and respect.

### **4 QUESTIONS RECEIVED PURSUANT TO RULE 4.1.12.2 OF THE CONSTITUTION**

The following question submitted on notice by Councillor R. Meirion Jones was put to the Chair:

*“Earlier this year the Council in Ceredigion declared that it was encouraging the retention of Welsh names for houses. I feel that we in Anglesey should be doing something similar. I note that the Chief Executive supports the idea and that he raised the matter in the County Language Forum and I have contacted officers. We have now received internal information and from Ceredigion Council. We also know the Planning Bill is before the Assembly at the moment. I would like the Chief Executive to let us know the current situation with regard to this matter and how he sees the way forward to get this done.*

*The Plaid Cymru Group supports the principle and wants to safeguard our heritage and therefore wishes to see the Isle of Anglesey County Council developing a policy on the matter. I am asking the question on behalf of the Group.”*

The Chief Executive said in reply that the Authority is not statutorily empowered with regard to enforcing house names on private residences. Whilst the Authority does have jurisdiction over street names, that does not extend to private houses even though there is a campaign by some Members of the Welsh Government for such a provision to be incorporated within the Planning (Wales) Bill 2014. Many house names on Anglesey are part of the Island's cultural heritage and many can be traced back centuries and carry meaning and purpose. The Authority may currently seek to persuade its citizens to respect, and to not change existing Welsh house names which is the line taken by the Council in Ceredigion. There have been discussions with the Chief Executive and Leader of Ceredigion County Council which has provided this Authority with examples of the pro forma it uses and its policy on the matter.

The Chief Executive recommended in order to progress the matter that firstly, it be referred to the Council's Language Task Group to formulate specific recommendations and policy for moving forwards on the matter to be presented to the relevant committee(s) via the usual democratic channels, and secondly, for the Council to consider subsequently whether it wishes to lend its support to the efforts within the Welsh Government to include within the Planning (Wales) Bill 2014 a provision to this end, and to make representations to that effect to the Welsh Government.

The Council endorsed the recommendations as a way of progressing the matter.

**It was resolved to proceed in accordance with the recommendations of the Chief Executive.**

## **5 PRESENTATION OF PETITIONS**

In accordance with Paragraph 4.11 of the Constitution, a petition was submitted by the Leader of the Council on behalf of the pupils of Ysgol Gyfun Llangefni and users of the Golf Course calling upon the Isle of Anglesey County Council to reconsider its decision to close Llangefni Golf Course in April, 2015 and to postpone the closure until at least the end of September, 2015 to allow either the formation of a social enterprise or to identify a purchaser to run the facility as a golf course. The Leader reported that the future of the Llangefni Golf Course is the subject of a report to be considered by the Executive at its forthcoming meeting on the 26<sup>th</sup> May, 2015.

**It was resolved to note that the matter is to be discussed by the Executive at its May meeting.**

## **6 ANNUAL DELIVERY DOCUMENT (IMPROVEMENT PLAN) 2015/16**

- The report of the Programme and Business Planning Manager incorporating the Annual Delivery Document for 2015/16 was presented to the Council by the Portfolio Holder for Executive Business, Performance Transformation, Corporate Plan and Human Resources.
- The Portfolio Holder for Executive Business, Performance Transformation, Corporate Plan and Human Resources reported that the Executive at its meeting held on 20<sup>th</sup> April, 2015 upon consideration of the Annual Delivery Document 2015/16 had resolved –
  - *To authorise the Officers through the Portfolio Holder for Performance Transformation, Corporate Plan and Human Resources to undertake the task of completing the final draft and,*
  - *To recommend the adoption of the Annual Delivery Document for 2015/16 by the full Council at its meeting on 14<sup>th</sup> May, 2015.*

Councillor Peter Rogers sought clarification of the reference in the Delivery Document to the proposed transfer of the management of Llangefni Golf Course and Driving Range to an alternative management organisation until April 2017 given that a decision on the operation of the Golf Course and Driving Range until 2017 has been made but based on other considerations. The Portfolio Member for Economic Development, Leisure and Tourism responded that the report on the Llangefni Golf course to the Executive on 26<sup>th</sup> May considers a management model involving the community but which still adheres to the original decision.

**It was resolved to adopt the Annual Delivery Document (Improvement Plan) for 2015/16.**

## **7 CHANGES TO THE CONSTITUTION**

- The report of the Head of Council Business/Monitoring Officer incorporating proposed new Contract Procedure Rules at Appendix 1 was presented to the Council by the Portfolio Holder for Executive Business, Performance Transformation, Corporate Plan and Human Resources.
- The Portfolio Holder for Executive Business, Performance Transformation, Corporate Plan and Human Resources reported that the Executive at its meeting held on 16<sup>th</sup> March, 2015 upon consideration of the above had resolved –

*To recommend to the full County Council that Council approves the new Contract Procedure Rules and delegates authority to the Monitoring Officer to incorporate the new Contract Procedure Rules (CPRs) into the Constitution.*

The Head of Council Business/Monitoring Officer advised that the Council in adopting the new Contract Procedure Rules does so on condition they are not implemented until September, 2015 on account of their being part of a larger programme of change.

Councillor R. Meirion Jones confirmed that questions which he had on the new Contract Procedure Rules had been dealt with in guidance provided by the Head of Council Business and her staff.

Councillor R. Llewelyn Jones sought clarification of para. 4.9.9.2.5. (d) in the new Contract Procedure Rules in terms of the availability of information about tenders under FOI requirements in the interests of openness and transparency.

The Head of Council Business explained that the said paragraph underlines the fact that the public sector is subject to FOI whilst the private sector is not. The provisions within the paragraph apply to those instances wherein the Council tenders with the private sector to deliver a service on its behalf in terms of making it clear to the private sector from the outset that in those circumstances it is subject to the same requirements under the Freedom of Information Act as is the public sector.

**It was resolved to approve the new Contract Procedure Rules as at Appendix 1 to the report of the Head of Council Business / Monitoring Officer and to delegate authority to the Monitoring Officer to incorporate the new Contract Procedure Rules within the Constitution with effect from September, 2015.**

## **8 CONSTITUTIONAL CHANGES – AUDIT COMMITTEE TERMS OF REFERENCE**

- The report of the Head of Council Business/Monitoring Officer incorporating new terms of reference for the Audit Committee was presented to the Council by the Portfolio Holder for Executive Business, Performance Transformation, Corporate Plan and Human Resources.
- The Portfolio Holder for Executive Business, Performance Transformation, Corporate Plan and Human Resources reported that the Executive at its meeting held on 20<sup>th</sup> April, 2015 upon consideration of the above had resolved –

*To recommend to the full Council that it approves the changes to the Council's Constitution being new terms of reference for the Audit Committee as contained in the Appendix to the report*

**It was resolved to approve the changes to the Council's Constitution being new terms of reference for the Audit Committee as contained in the appendix to the report of the Head of Council Business/Monitoring Officer.**

## **9 CONSTITUTIONAL CHANGES – POWERS OF THE CHIEF EXECUTIVE**

- The report of the Head of Council Business/Monitoring Officer seeking authority to change the Scheme of Delegation was presented to the Council by the Leader.
- The Leader reported that the Executive upon consideration of the above at its meeting held on 20<sup>th</sup> April, 2015 has resolved –

*To recommend to the full Council that:*

- *It amends the Constitution to enable the Chief Executive to make structural changes to the Scheme of Delegation to Officers without going through the Executive and full Council*
- *It authorises the Monitoring Officer to implement the change by adding a new paragraph to the Scheme of Delegation in line with Appendix 1, and thereafter to implement any relevant decisions of the Chief Executive.*

**It was resolved that the Constitution be amended to enable the Chief Executive to make structural changes to the Scheme of Delegation to Officers without going through the Executive and full Council, and that the Monitoring Officer is authorised to implement the change by adding a new paragraph to the Scheme of Delegation in line with Appendix 1, and thereafter to implement any relevant decisions of the Chief Executive.**



## **10 AUDIT COMMITTEE ANNUAL REPORT 2014/15**

The Annual report of Internal Audit for 2014/15 was presented by the Chair of the Audit Committee.

**It was resolved to note the report of Internal Audit for 2014/15.**

## **11 STANDARDS COMMITTEE ANNUAL REPORT 2014/15**

The Annual Report of the Standards Committee for 2014/15 was presented to the Council by Mr Michael Wilson as Chair of the Standards Committee during 2014/15. The report summarised how the Standards Committee had delivered on its 2014/5 Work Programme and set out its programme of activity for 2015/16.

In response to a request for clarification on actions being taken to bridge the gap between community councils and the County Council at a time when there are greater expectations of the former, the Head of Council Business/Monitoring Officer reported that the focus of the training and development area under the Code of Conduct was focussed in 2014/15 on Town and Community Council clerks. This training was well attended and well received and there is evidence that it has built relationships between the County Council and Community Councils. In 2015/16, a risk based approach will be taken with a view to providing further training to Town Councillors in particular.

The Leader of the Council referred to other provisions for strengthening the relationship and communication between the County Council and town and community councils in the form of a Charter/Memorandum of Understanding, a triannual Forum under the Chairmanship of the Leader of the Council and deriving therefrom, a Focus Group to discuss and consult on wider issues.

**It was resolved to note the Programme delivered by the Standards Committee between April, 2014 and May, 2015 as at Enclosure A to the report and to endorse the Standards Committee's Work programme for 2015/16 as outlined at Enclosure B.**

## **12 SCRUTINY ANNUAL REPORT 2014/15**

The Annual Report of the Scrutiny Committees for 2014/15 was presented to the Council by Councillor R. Meirion Jones as Chair of the Corporate Scrutiny Committee during 2014/15. The report set out the contribution and challenge provided by Scrutiny through the work programmes of the Corporate Scrutiny Committee and the Partnership and Regeneration Scrutiny Committee during the year.

**It was resolved –**

- **To note and approve the Scrutiny Committees' Annual Report for 2014/15.**
- **That the Chair of the Corporate Scrutiny Committee be appointed as the Scrutiny Champion from May, 2015 to May 2016 and the Chair of the Partnership and Regeneration Scrutiny Committee from May, 20-16 to May, 2017. Thereafter the role of the Scrutiny Champion to alternate between the two Scrutiny Committee Chairs.**

## **13 DEMOCRATIC SERVICES ANNUAL REPORT 2014/15**

The Annual Report of the Democratic Services Committee for 2014/15 was presented to the Council by Councillor Vaughan Hughes as the Chair of the Committee during 2014/15.

**It was resolved to accept the report and to note the matters discussed as part of the Committee's Work programme for 2014/15.**

## **14 THE LEADER OF THE COUNCIL'S ANNUAL REPORT**

The Annual Report for 2014/15 by the Leader of the Council was presented to the Council. The report based on the Council's corporate self-assessment delineated the Council's achievements during the year along with areas for further improvement, and also chartered the progress made against the intentions of the Independent Manifesto.

The Leader in concluding his report paid tribute to the Chief Executive who would be retiring at the end of May, 2015 and referred to the high esteem in which he was held both within and without the Isle of Anglesey. Those sentiments were echoed by Members of the Council who spoke of the Chief Executive's integrity, courtesy, professionalism and exemplary record in post. Appreciation

was also expressed to Councillor R.G. Parry, OBE who was standing down as Leader of the Opposition Group for his contribution in that role.

Members were given the opportunity to ask questions arising from the contents of the report and comments seeking clarification of the status of certain aspects of the Council's work and projects were made to which the Leader responded.

**It was resolved to accept the Annual Report of the Leader of the Council 2014/15 and to note its contents.**

#### **15 EXCLUSION OF THE PRESS AND PUBLIC**

It was considered and resolved under the provisions of Section 100(A) (4) of the Local Government Act 1972 to exclude the press and public from the meeting for the discussion of the matter below as it involved the disclosure of exempt information as defined in Schedule 12A of the said Act and in the Public Interest Test presented.

#### **16 RESTRUCTURING THE SENIOR LEADERSHIP TEAM**

- The recommendations of the Appointments Committee from its meeting held on 1 May, 2015 with regard to the above were presented.
- The report of the Chief Executive was presented to the Council. The report incorporated revised recommendations for moving forwards with the restructuring of the Senior Leadership Team subsequent to responses received as part of the consultation on the original preferred Option 4, and based on the deliberations of, and recommendations made by the Appointments Committee above.

Following consideration of the report and a discussion thereon, an amendment to the recommendations was put forward to the effect that consideration be given to re-designating the job titles of the two new posts of Assistant Chief Executive proposed as part of the revised SLT structure. In the subsequent vote on the matter, the amendment lost by 16 votes to 10. In a second vote, the original proposals were carried.

**It was resolved –**

- **To approve the recommendations of the report of the Chief Executive as presented.**
- **That authority is given to the Monitoring Officer to amend the Council's Constitution upon completion of the appointments process / when the appointees take up the post (whichever is later) to reflect the new management structure.**
- **That the appointments to the two new Assistant Chief Executive posts be made by full Council following the receipt of the Appointments Committee's recommendations regarding preferred candidates.**

#### **17 EXCLUSION OF THE PRESS AND PUBLIC**

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

**It was RESOLVED to adopt the above.**

#### **18 JOB EVALUATION IMPLEMENTATION AND EQUAL PAY**

- To submit the report of the Head of Profession Human Resources.

Advice note to re-affirm the risks associated with the implementation of Single Status, and a summary of the recommendations circulated to all. Both documents were collected at the end of the meeting.

The Council Leader proposed that the Council approve the recommendations contained within the summary circulated. Councillor Alwyn Rowlands seconded the proposal.

Cllr Hywel Eifion Jones suggested a recorded vote in line with the process adopted at full Council on the 7<sup>th</sup> April 2015.

**The following voted in favour:**

Kenneth P Hughes, Richard A Dew, Alwyn Rowlands, Vaughan Hughes, Jim Evans, Aled Morris Jones, William T Hughes, Derlwyn Hughes, Raymond Jones, Robert Llewelyn Jones, Peter Rogers, Gwilym O Jones, Meirion Jones, Dylan Rees, Ann Griffith, Carwyn Jones, John Griffith.

**The following voted against:**

No members voted against.

**The following did not vote in view of dispensation:**

Robert G Parry OBE, Alun Mummery, Lewis Davies, Llinos Medi Huws, Jeffrey M Evans, Dafydd Rhys Thomas, Richard O Jones, Trefor Lloyd Hughes, Hywel Eifion Jones, Ieuan Williams, J Arwel Roberts.

**It was RESOLVED to approve the recommendations as outlined in the summary document.**

At the beginning of the Council meeting, a request was made to postpone agreement of the minutes of the meeting convened on 7<sup>th</sup> April 2015. The Head of Function Council Business / Monitoring Officer made reference to the need for the draft minutes of the meeting to be considered by the external solicitors who are advising the Council in relation to the Single Status and had requested Members postpone their approval of the minutes in order to enable officers to consult with the Council's external legal advisers. It was proposed to delay agreement of the minutes until the next meeting.

**It was RESOLVED to postpone a decision regarding the minutes of the 7<sup>th</sup> April 2015 until next full Council.**

**Councillor Vaughan Hughes  
Chair**

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# ISLE OF ANGLESEY COUNTY COUNCIL

## Minutes of the annual meeting held on 14<sup>th</sup> May, 2015

- PRESENT:** Councillor Jim Evans (Chair)  
Councillor R. G. Parry, OBE (Vice-Chair)
- Councillors Lewis Davies, Richard Dew, Ann Griffith, John Griffith, Derlwyn Hughes, Kenneth Hughes, Trefor Ll. Hughes, Vaughan Hughes, W. T. Hughes, Llinos M. Huws, Aled M. Jones, Carwyn Jones, G. O. Jones, H. Eifion Jones, Raymond Jones, Richard Owain Jones, R. Llewelyn Jones, R. Meirion Jones, Alun Mummery, Dylan Rees, J. Arwel Roberts, Peter Rogers, Alwyn Rowlands, Dafydd Rhys Thomas, Ieuan Williams
- IN ATTENDANCE:** Chief Executive  
Director of Lifelong Learning/Chief Executive Designate  
Director of Community  
Head of Council Business/Monitoring Officer  
Head of Democratic Services  
Committee Officer (ATH)
- APOLOGIES:** Councillors Victor Hughes, Nicola Roberts
- 

### 1 CHAIRPERSON

**It was resolved that Councillor Jim Evans be elected Chairperson of the County Council for 2015/16.**

In accepting the honour of being appointed, Councillor Jim Evans assured the Council that he would endeavour to fulfil his duties as Chairperson to the best of his abilities and he thanked his predecessor in that office, Councillor Vaughan Hughes for the dignified way in which he had carried out his civic duties during his tenure as Chair of the Council. Councillor Evans also took the opportunity to thank Mr R. P. Jones, Chief Executive for his guidance and wise counsel in that role and wished him the best for his retirement at the end of May, 2015.

The outgoing Chairperson, Councillor Vaughan Hughes, thanked all the Members and Officers for their support during his term of office and said that being the civic head of the Isle of Anglesey had been a great and priceless privilege. Councillor Hughes gave a summary of the highlights of his year as Chair of the Council including raising £3,700 for good causes. Councillor Hughes also extended best wishes for a happy retirement to Mr R. P. Jones and thanked him for his long and honourable service to the Isle of Anglesey.

### 2 VICE-CHAIRPERSON

**It was resolved that Councillor R. G. Parry, OBE be elected Vice-Chairperson of the County Council for 2015/16.**

Councillor R. G. Parry, OBE thanked his fellow Members for the honour and said that he looked forward to working with the Chairperson and supporting him in his duties during the forthcoming year.

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

Mr Richard Parry Jones, the Chief Executive, acknowledged the kind tributes paid to him both by the incoming Chairperson and by the Council's Members during the Council's morning meeting and said that he appreciated the generosity and sincerity of the sentiments expressed. Mr Jones related the history of his personal association with the Isle of Anglesey and he extended his thanks

to the retiring Chairperson for his year of service in which he had been an effective ambassador for the Isle of Anglesey County Council. He wished all the best to Councillor Jim Evans in the year ahead and likewise the Leader of the Council. He said that he hoped that he was leaving with the Council in a stronger and more robust position which success he said was attributable to the efforts of the Council's Members. Mr Jones also acknowledged the contribution made by the Council's staff who were deserving of praise and respect. He referred to the unique opportunities which lie ahead for Anglesey as well as the risks which those might bring and emphasised the importance of cherishing and safeguarding the Island's wealth of heritage and ensuring that any changes that are made are done so for the benefit of the Island's residents. He wished the Council all the very best for the future and said that he would continue to follow its fortunes with interest.

#### **4 DECLARATION OF INTEREST**

No declaration of interest was made.

#### **5 DELEGATION BY THE LEADER / MEMBERSHIP OF THE EXECUTIVE**

In accordance with Paragraph 4.1.1.2 of the Constitution, the Leader named the following as the Members he had chosen to serve on the Executive along with their Portfolio responsibilities –

Councillor Richard Dew with Portfolio responsibility for Planning and the Environment

Councillor Kenneth Hughes with Portfolio responsibility for Education

Councillor Aled Morris Jones with Portfolio responsibility for Housing and Social Services

Councillor H. Eifion Jones with Portfolio responsibility for Finance

Councillor J. Arwel Roberts with Portfolio responsibility for Highways, Property and Waste Management

Councillor Alwyn Rowlands with Portfolio responsibility for Council Business, Performance Transformation and Human Resources

Councillor Ieuan Williams (Leader) with Portfolio responsibility for Economic Development, Leisure and Tourism

#### **6 ELECTION OF CHAIRPERSON OF THE DEMOCRATIC SERVICES COMMITTEE**

**In accordance with Paragraph 3.4.12.3, it was resolved that Councillor Vaughan Hughes be elected Chairperson of the Democratic Services Committee for 2015/16.**

#### **7 CONFIRMATION OF THE SCHEME OF DELEGATION**

**It was resolved to confirm such part of the Scheme of Delegation as the Constitution determines it is for the Council to agree as set out in Part 3.2 of the Constitution.**

#### **8 POLITICAL BALANCE**

The report of the Head of Democratic Services in review of the Council's political balance arrangements was presented for consideration.

**It was resolved –**

- **To confirm the political balance arrangements and the number of seats allocated to each of the Group under the Local Government and Housing Act 1989, and the number of seats given by custom and practice to the Members not subject to political balance as set out in the matrix appended to the report.**
- **Subject to the above, to confirm that the seats designated to the unaffiliated Members continue on the basis of current appointments.**
- **That Group Leaders advise the Head of Democratic Services as soon as possible if there are any changes to Group Membership on Committees.**

#### **9 SCHEME OF REMUNERATION 2015/16**

The report of the Head of Democratic Services on the scheme for Member remuneration for 2015/16 was presented for consideration.

**It was resolved -**

- To confirm the allocation of senior salaries to office holders for 2015/16 as per paragraph 2.19 of the report.
- To confirm that level C allowances as determined by the Independent Remuneration Panel should be payable to the offices of civic head and deputy civic head, taking account of anticipated workloads and responsibilities as per paragraph 2.7 of the report.
- To note that the Democratic Services Committee at its meeting on 25<sup>th</sup> March, 2015 resolved that the requirement to review the level of support provided to Members to carry out their duties would be addressed as part of its work programme for 2015/16.
- To note other details on payments and allowances for 2015/16 as prescribed by the Independent Remuneration Panel for Wales and set out in the report.

## **10 OUTSIDE BODIES**

The report of the Head of Democratic Services seeking confirmation of the schedule of appointments made to outside bodies was presented for consideration.

The Council was informed that Councillor R. G. Parry, OBE was replacing Councillor Ann Griffiths as the Council's representative on the Anglesey Access Group (no.14 on the schedule).

**It was resolved to confirm the appointments as detailed in the schedule presented subject to the inclusion of Councillor R. G. Parry, OBE as the representative on the Anglesey Access Group.**

## **11 MEMBER TRAINING DEVELOPMENT PLAN – MEMBER TRAINING DEVELOPMENT 2015/16**

The report of the Head of Democratic Services incorporating the Member Development Plan for 2015/16 was presented for consideration.

**It was resolved to adopt and undertake the Training Plan for Members as set out in Appendix 1 to the report.**

## **12 CONFIRMATION OF COMMITTEES**

The Chairperson confirmed the re-appointment of the Committee structure as referred to in Section 3.4 of the Council's Constitution together with the following –

- Pay and Grading Panel
- Standards Committee Appointments Panel
- Standing Advisory Council on Religious Education
- Special Educational Needs Joint-Committee
- Indemnities Sub-Committee

## **13 PROGRAMME OF ORDINARY MEETINGS OF THE COUNTY COUNCIL**

**It was resolved to approve the following programme of ordinary meetings of the County Council for the ensuing year –**

- 29<sup>th</sup> September, 2015 at 2:00 p.m.
- 9<sup>th</sup> December, 2015 at 2:00 p.m.
- 24<sup>th</sup> February, 2016 at 2:00 p.m.
- 12<sup>th</sup> May, 2016 at 2:00 p.m. (Annual Meeting)

**Councillor Jim Evans  
Chair**

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# ISLE OF ANGLESEY COUNTY COUNCIL

## Minutes of the meeting held on 3 September 2015

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<b>PRESENT:</b>	Councillor Jim Evans (Chair) Councillor Robert G Parry OBE (Vice-Chair)  Councillors Lewis Davies, R Dew, Ann Griffith, John Griffith, D R Hughes, K P Hughes, T LI Hughes, Vaughan Hughes, Victor Hughes, Llinos Medi Huws, A M Jones, G O Jones, H E Jones, R LI Jones, R.Meirion Jones, Richard Owain Jones, Jeffrey M.Evans, Alun W Mummery, Dylan Rees, J A Roberts, Nicola Roberts, Alwyn Rowlands, Dafydd Rhys Thomas and Ieuan Williams
<b>IN ATTENDANCE:</b>	Chief Executive, Head of Profession – Human Resources, Interim Head of Resources/Section 151 Officer, Head of Function (Council Business)/Monitoring Officer, Director of Community, Head of Democratic Services, Committee Officer (MEH).
<b>ALSO PRESENT:</b>	Mrs. Kim Howells and Mrs. Lowri Phillips – Geldards LLP
<b>APOLOGIES:</b>	Councillor Raymond Jones, Carwyn Jones and P S Rogers

### 1. DECLARATION OF INTEREST

Declarations of personal interest were made in respect Item 5 Job Evaluation Implementation and Equal Pay as noted below. Those Members who declared an interest were allowed to take part in discussions and voting thereon.

Councillors Lewis Davies, Jeff M. Evans, T.LI. Hughes, T. Victor Hughes, Llinos M. Huws, H. Eifion Jones, R.LI. Jones, Alun W. Mummery, Bob Parry OBE, J. Arwel Roberts, Nicola Roberts, Dafydd R. Thomas, Ieuan Williams.

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

The Chair made the following announcements :-

- Congratulations was extended to all those who were successful in the Royal Welsh Show, Anglesey Agricultural Show and also the National Eisteddfod.
- Congratulations were extended to secondary schools pupils who succeeded in their GCSE's and 'A' Level examinations. The Chair wished them well for the future and every success to those who will be going to college.
- Congratulations to Council staff who have succeeded in examinations and who have gained qualifications in their relevant fields.
- Also, congratulations to those who competed in the Island Games held recently in Jersey.

- As everybody is aware, the National Eisteddfod will be held in the Bodedern area in two years. The first fund raising activity will be held in Holyhead on 12 September and there will be an opportunity to hear from competitors from Anglesey who participated in the successful Eisteddfod in Meifod this year.
- The Chairman's Sunday Service will be held on Sunday, 11 October, 2015 at 2.00 p.m, in Rhos y Gad Chapel, Llanfairpwll.
- The Chair referred to the death of the wife of the former Councillor Gwyn Roberts from Penysarn. He extended his sympathy to the family on behalf of the County Council and to any Member or Officer who has suffered a bereavement recently. Members and Officers stood as a mark of respect.

### 3. PRESENTATION OF PETITIONS

The Chief Executive reported that a petition had been received with 2,440 signatures from 38 schools. He noted that not all those who had signed the petition are employed within the schools.

### 4. EXCLUSION OF THE PRESS AND PUBLIC

**RESOLVED to adopt the following :-**

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

### 5. JOB EVALUATION IMPLEMENTATION AND EQUAL PAY

- Submitted – the report of the Head of Profession – Human Resources in response to a request from the Plaid Cymru Group to convene an Extraordinary County Council meeting to consider the impact of implementing Single Status and Equal Pay on some staff.

The Chief Executive highlighted the main issue contained within the report to the Members of the County Council and the recommendations of the full County Council held on 14<sup>th</sup> May, 2015.

The Head of Profession – Human Resources gave an in-depth presentation to the County Council on Single Status and Equal Pay.

The Leader of the Plaid Cymru Group explained the reason why the Plaid Cymru Group had requested an Extraordinary Meeting of the County Council and the impact of the job evaluation process on staff.

Members were afforded a questions and answer session.

It was **RESOLVED to accept the report.**

- Submitted – the report of the Head of Profession – Human Resources on the legal issues in relation to Job Evaluation and Equal Pay implementation. An Advice Note by the County Council's legal representatives was attached to the report.

The Chair invited Mrs. Kim Howells and Mrs. Lowri Phillips from Geldards LLP to the meeting. Mrs. Howells gave a comprehensive presentation to the County Council in respect of the implementation strategy in relation to the Single Status programme.

Following a question and answer session it was **RESOLVED to :-**

- That the Council takes the steps of proposing to compulsorily extend the application of the new Single Status terms and conditions and pay and grading structure to all employees who have not, as at the date of issuing the s.188 letter, agreed voluntarily to the changes, by terminating their existing contracts of employment and offering re-engagement on the new Single Status terms and conditions, provided that for any school-based staff this is limited to schools where the Governing Body has resolved to adopt the Single Status proposals;
- That the draft s.188 letter be finalised by the Implementation Team and issued to the three recognised Trade Unions as soon as possible confirming the commencement of the collective consultation period;
- That the Implementation Team continue to negotiate with any Governing Bodies who have not yet resolved to adopt the Single Status proposal with a view to encouraging them to adopt the proposals;
- That the Implementation Team be required to continue dialogue with the three Trade unions with a view to reaching agreement with the appropriate representatives on ways of :-
  - avoiding the dismissals;
  - reducing the number of employees to be dismissed; and
  - mitigating the consequences of the dismissals.
- That the Implementation Team continues to make efforts to encourage affected employees to agree to the Single Status terms, on the same voluntary terms as approved previously by Council, in order to minimise the number of staff who may ultimately be provided with notice of dismissal;
- That the Chief Executive or his delegated representative be given delegated responsibility for managing any dismissal and re-engagement process including but not limited to determining whether and when any notices of dismissal should be served and whether or not any dismissal process should be carried out at the same time or on a phased basis;
- That the Pay and Grading Committee supports any additional capacity requirements for HR and Payroll for the period of implementation to ensure completion of the task without impact on other priorities;
- That Single Status be implemented as soon as is reasonably practicable following the appropriate collective consultation period. However, it is recognised that for employees where notice of dismissal will need to be served Single Status will not be implemented until February/March 2016 at the earliest. This is because the statutory collective consultation period requires a minimum of 45 days consultation and the notice period required to be served for dismissal purposes is 12 weeks. In addition, a dismissal process will need to be followed for School based staff;
- That the Chief Executive or his delegated representative be given delegated responsibility to determine whether Single Status should be implemented on one date across the Authority or at different dates, for example whether an earlier date be used for employees who have accepted the Single Status terms and conditions voluntarily and therefore do not require notice of dismissal to be served upon them.

Councillor Jeff Evans wished it to be recorded that he voted against acceptance of the above recommendation.

Councillor Nicola Roberts wished it to be recorded that she abstained from voting in respect of the above recommendation.

The meeting concluded at 12.55 pm

**COUNCILLOR JIM EVANS  
CHAIR**

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>REPORT TO:</b>	<b>AUDIT COMMITTEE/ COUNTY COUNCIL</b>
<b>DATE:</b>	<b>23 SEPTEMBER 2015 / 29 SEPTEMBER 2015</b>
<b>SUBJECT:</b>	<b>FINAL ACCOUNTS 2014/15</b>
<b>PURPOSE OF REPORT:</b>	<b>Covering Report for Presentation of the Final Statement of Accounts, commenting on the main issues arising from the Audit of the Accounts</b>
<b>HEAD OF SERVICE:</b>	<b>RICHARD MICKLEWRIGHT (EXT. 2601)</b>
<b>ACTION:</b>	<b>To recommend acceptance of the Statement of Accounts 2014-15</b>

## **1. BACKGROUND**

**1.1** The County Council's draft accounts for 2014/15 were presented for audit on 24 June 2015. The detailed audit work is now substantially complete and the Auditor's Report has been issued. A number of amendments to the draft have been incorporated into the Accounts. Subject to the County Council's confirmation, the accounts will be signed by the Acting Head of Function (Resources), the Council's Section 151 Officer, and will be published following receipt of the Auditor's opinion.

## **2. QUALITY OF PROCESS**

**2.1** I am pleased to say that 2014/15 is the fourth consecutive year in which the statutory deadline for completion of the audited accounts has been met.

**2.2** I am also pleased to recognise that improvements in the audit process identified last year have continued and that all the issues that have arisen throughout the audit were dealt with promptly and in a satisfactory manner.

## **3. AMENDMENTS TO THE ACCOUNTS**

**3.1** The details of the main amendments to the draft accounts are as set out in the Auditor's Report and so will not be listed again here. There may be minor corrections of narrative and consistency to be applied again before the accounts are signed.

**3.2** The significant amendments required to the draft statements have been largely confined to:-

- Changes to the Balance Sheet in respect of movements in the valuations of fixed assets.
- Changes to the levels of reserves and provisions to reflect revised requirements following audit, particularly in respect of Equal Pay and Job Evaluation where a transfer from Reserves to Provisions has been implemented to reflect the current situation of these projects.
- Changes to the analysis contained within the Comprehensive Income and Expenditure Statement and to the Balance Sheet to adjust for compensating errors in both income and expenditure.

## **4. THE APPROVAL PROCESS**

**4.1** The responsibility for approval of the accounts now lies with the County Council. The responsibility for scrutinising the accounts remains with the Audit Committee. I am,

therefore, recommending that the Audit Committee requests the County Council to approve the accounts on 23 September 2015.

## **5. RECOMMENDATION**

**5.1** It is proposed that the Audit Committee makes a recommendation to the County Council to confirm acceptance of the 2014/15 Statement of Accounts.

**5.2** That the Audit Committee approves the Annual Governance Statement and refers the document to the Leader of the Council and the Chief Executive for signature.

**RICHARD MICKLEWRIGHT 16 SEPTEMBER 2015  
ACTING HEAD OF FUNCTION (RESOURCES)  
AND SECTION 151 OFFICER**



# **ISLE OF ANGLESEY COUNTY COUNCIL**

## **STATEMENT OF ACCOUNTS 2014/15**



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# EXPLANATORY FOREWORD

## 1. THE STATUTORY FRAMEWORK

Like most organisations the Council has a statutory duty to approve and publish a Statement of Accounts. The following pages relate to the Statement of Accounts for the Isle of Anglesey County Council for the year ended 31 March 2015.

Regulations 2,5 to7(2) and 21 to 28 of the Accounts and Audit (Wales) Regulations 2014 came into force on the 31 March 2015 and therefore replace Regulation 7 of the Accounts and Audit (Wales) Regulations 2005 (SI 2005/368 (W.34), as amended) for the accounts year 2014/15 and future periods. These regulations require Welsh Local Authorities to prepare a Statement of Accounts in accordance with proper practices.

Regulation 25 of the Local Authorities (Capital Finance and Accounting) (Wales) Regulation 2003 (SI 2003/3239 (W.319), as amended) identifies proper practices for the preparation of the Statement of Accounts. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 and the Service Reporting Code of Practice 2014/15 issued by CIPFA, supported by International Financial Reporting Standards (IFRS).

## 2. WHAT IS CONTAINED IN THE ACCOUNTS?

The Statement of Accounts for 2014/15 has been prepared using best accounting practice set down by the Chartered Institute of Public Finance and Accountancy (CIPFA). It is, in parts, a complex document which sets out to ensure that the accounts of all Government funded bodies provide comparable and consistent information and comply with International Financial Reporting Standards.

The foreword provides an understandable guide to the most significant matters reported in the Accounts and an overview of the Council's overall financial position.

The Council's Accounts for 2014/15 consist of the following core financial statements and notes:-

- **Statement of Responsibilities for the Statement of Accounts** - which sets out the respective responsibilities of the Council and the Council's Acting Head of Function (Resources) who is the designated Section 151 Officer.
- **Annual Governance Statement** – Statutory regulations require the Council to conduct a review at least once in a year of the effectiveness of its system of internal control. The review of internal controls or internal financial controls provides assurance that the Statement of Accounts gives a true and fair view of the Council's financial position at the reporting date and its financial performance during the year.
- **Auditor's Opinion** – The Council's appointed external Auditor is the Auditor General for Wales. PricewaterhouseCooperLLP (PWC) will be carrying out the statutory audit on behalf of the Auditor General following the Section 151 officer signing and dating the statement of accounts. They will then issue an opinion as to whether the Accounts need to be qualified or are unqualified. The deadline for this opinion is the 30<sup>th</sup> September following the year end.

- **Core Financial Statements** – the Statement of Accounts includes four core financial statements which are: -
  - **The Movement in Reserves Statement (MIRS)** – which shows the movement in the year of the different reserves held by the Council analysed between usable and unusable reserves. The surplus (or deficit) on the provision of services line shows the true economic cost of providing the Council services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes. The Net Increase/Decrease before transfers to Earmarked Reserves shows the position before any discretionary transfers to/from Earmarked Reserves are undertaken.
  - **The Comprehensive Income and Expenditure Statement (CIES)** – which shows cost of providing services in the year using accepted accounting practices, rather than the amount to be funded from taxation and general grants in accordance with statutory regulation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.
  - **The Balance Sheet** – which sets out the financial position of the Council at 31 March 2015 as reflected in the level of balances and reserves at the Council's disposal and the level of assets and liabilities held by the Council.
  - **The Cash Flow Statement** – The Cash Flow Statement shows the changes on cash and cash equivalents of the Council during the financial year. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources that are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.
  - **The Housing Revenue Account** is a record of revenue expenditure and income relating to the Council's housing stock. Its primary purpose is to ensure that expenditure on managing tenancies and maintaining dwellings is balanced by rents charged to tenants. The Housing Revenue account is ring-fenced from the Council's General fund.
  - **Notes to the Financial Statements** – which are intended to explain the key figures shown in the financial statements. The notes include the Statement of Accounting Policies, which supports and explains the basis of the figures in the Accounts and it sets out the significant accounting policies and estimation techniques used to prepare the Accounts.

### 3. CHANGES IN ACCOUNTING TREATMENT

There are no material changes to accounting treatment required for 2014/15.

#### **4. SUMMARY OF THE YEAR**

The Council spends money in two ways; revenue and capital. Revenue spending is on items that are used up within a year and is paid for from Council Tax, government grants, rents and other income. Capital spending generally relates to items of expenditure that will give benefits to the Council for a period of more than one year. The financing of capital expenditure is mainly from capital receipts, capital grants and contributions, or borrowing.

#### **5. REVENUE EXPENDITURE AND INCOME 2014/15**

The Council prepared and agreed the annual revenue budget for 2014/15 in February 2014. The budget reflects the expenditure and income expected to be utilised in the provision of services. Expenditure relates to running costs such as employee salaries and overheads, repair and maintenance, energy costs, rates and other costs of occupying Council buildings, the cost of running its vehicle fleet and the cost of supplies and services to support the Council's departments. Income relates to receipts from sales of goods and fees and charges from the Council's service users and grants and contributions from the Welsh Government and other external bodies.

The Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement show our financial performance and the net expenditure to be charged against Council Tax.

##### **REVENUE EXPENDITURE 2014/15**

The Council's revenue budget for 2014/15 was set at £126m (£129m in 2013/14).

The budget was set against a challenging financial settlement of grant support from the Welsh Government and a challenging savings and efficiencies target of £6.3m was implemented in order to set the budget within the available resources.

The budget was closely monitored and controlled throughout the year and reported to the Executive in accordance with approved Council procedures. During the course of the financial year, budgetary overspending pressure was identified within the Finance service under the Directorate of the Deputy Chief Executive which was in relation to additional support to the department. The overspend was reported early in the financial year and projected to be £154k.

Actual net expenditure totalled £127.119m (£128.368 2013/14) and it is important to note that the Council achieved an overall net spend within the budget. There are variations of over and underspends in individual services.

The Revenue budget for 2014/15 and how these compare with the provisional outturn are shown in the following table. The details shown here are based on the Outturn report to the Executive which is based on the internal management structure of the Council. The movement from this initial figure to the final Deficit on Continuing Operations as shown in the Comprehensive Income and Expenditure Statement arises from movements to reserves and other yearend activities :-

## 6. REVENUE EXPENDITURE 2014/15

Directorate	Budget £'000	Outturn £'000	Variance £'000
Lifelong Learning	53,026	53,068	42
Communities	30,296	29,072	-1,224
Sustainable Development	25,556	25,311	-245
Deputy Chief Executive	17,405	18,233	828
	<b>126,283</b>	<b>125,684</b>	<b>-599</b>

The budget for 2014/15 included required savings of £6.3m which have, in general been achieved with further savings resulting a projected outturn underspend of £599k.

### Council Fund

At out-turn, the balance on the Council Fund at 31 March 2015 increased by £1.516m, from £5.677m to £7.193m. In-year movements on the Council Fund can be found in Movement in Reserves Statement on page 12.

### CAPITAL EXPENDITURE 2014/15

Capital expenditure relates to the cost of providing or enhancing assets or other spending where the benefits last beyond the financial year in question. The Council approved a capital programme of £25.0m for 2014/15. The only major projects or schemes to commence during the year were the two new 21st century schools in Holyhead and Llannau. The only major project to be completed during the year was the Highways Local Government Borrowing Initiative scheme. The scheme saw a total of £5.3m invested over the three years, resulting in improved functionality and condition of the Authority's highways asset.

The Executive considered a capital out-turn report at its meeting of 15 June 2015, which showed that the Council actually spent £21.3m on capital projects in 2014/15.

Details of spending against individual project budgets are:-

Project	Budget for 2014/15 £000	Actual spend in 2014/15 £000	Variance in Year £000
<b>Housing</b>			
Council Houses	7,085	5,519	(1,566)
General Fund	1,914	1,701	(213)
<b>Education</b>			
21 <sup>st</sup> Century Schools	850	466	(384)
Flying Start	415	415	-
Developing Anglesey Language Centre	139	125	(14)
Other	1,199	1,169	(30)

<b>Regeneration</b>			
Econ Dev. - Strategic	1,881	1,434	(447)
Infrastructure	1,357	872	(485)
Econ Dev. – Other			
Property - Smallholding improvements	250	843	593
Property – Other	1,202	786	(416)
Planning - Regeneration ( 3 towns)	1,170	1,515	345
Highways – Local	1,800	1,804	4
Government Borrowing Initiative	2,297	1,928	(369)
Highways – Other	125	39	(86)
Waste Management			
<b>Other</b>			
ICT	606	209	(397)
Social Services	497	493	(4)
Leisure	170	2	(168)
Vibrant & Viable Places	2,050	1,967	(83)
<b>Total</b>	<b>25,007</b>	<b>21,287</b>	<b>(3,720)</b>

Total capital spending of £21.3m was £3.7m less than the approved budget for the capital programme.

#### **How the capital programme was paid for**

Funding for the Capital Programme is dependent on resources from grants, from anticipated capital receipts, and on a level of borrowing close to the level assumed by the Welsh Assembly when calculating revenue support.

	<b>Council Fund</b>	<b>Housing Revenue Account</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Capital Expenditure</b>	<b>15,768</b>	<b>5,519</b>	<b>21,287</b>
Grants and Contributions	8,682	2,650	11,332
Revenue Contributions	230	2,633	2,863
Capital Receipts	2,191	236	2,427
Supported Borrowing	2,399	0	2,399
Unsupported Borrowing	2,266	0	2,266
Earmarked Reserves	0	0	
<b>Total Financing</b>	<b>15,768</b>	<b>5,519</b>	<b>21,287</b>
<b>Resources available at 31 March 2015</b>			
Capital Expenditure Reserve	770	0	770
Leisure Improvement Reserve	173	0	173
Supported Borrowing carried forward	4,446	0	4,446
<b>Total available</b>	<b>5,389</b>	<b>0</b>	<b>5,389</b>

Capital commitments outstanding at the year-end were £3.8m (2013/14: £2.1m). The balance of the current capital commitments and the cost of new projects that are brought forward in future years will be financed from capital grants, receipts from projected asset sales and borrowing.

### **MAIN INFLUENCES ON THE 2014/15 ACCOUNTS**

There are a number of externally driven factors that have had a significant influence on the 2014/15 accounts and the reported financial position of the Council; the two most significant being the impact of the Economy on the Council's borrowing strategy and also on the pensions deficit.

### **TREASURY MANAGEMENT STRATEGY**

The Council is required to operate a balanced budget, meaning that total revenue due during the financial year must be sufficient to meet expenditure, and also that actual cash inflows must be adequate to cover cash outflows. A key part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed.

### **BORROWING**

In line with the approved Treasury Management Strategy, the Council was in an 'under borrowed' (internally borrowed) position at the year end, a position which commenced in 2011/12. This means that the capital borrowing needed (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as an interim measure. This approach is prudent as investment returns were low, counterparty risk high and forecast interest rates not expected to rise sharply. The Council has sufficient cash balances to operate effectively and, if necessary, could access additional funds at short notice with minimal cost.

The Council was in an under-borrowed position at the start of the year (£19.2m). No loans matured during the year and the Council's underlying need to borrow reduced by £0.2m, resulting in an under-borrowed position at the year-end of £19.0m. As a result of the continued internalisation of borrowing, the year-end borrowing was £89.58m (31 March 2014: £89.58m), with an average interest rate of 5.72% (31 March 2014: 5.72%).

### **INVESTMENTS (cash held on deposit for more than 3 months)**

The Council operated within its approved Annual Investment Strategy during the year. There were no investments as at the 31 March 2015 (31 March 2014: £9.2m).

### **BALANCE SHEET POSITION AT 31 MARCH 2015**

At 31 March 2015 the Council's reserves were £149.310m a decrease of £2.762m from the previous financial year. This decrease was a combination of usable reserves increasing by £1.975m from £27.272m to £29.247m, whilst unusable reserves balance reduced from £124.800m to £120.063m, a decrease of £4.737m. The analysis of the balances of the unusable reserves can be found in note 11 page 43.

The Balance Sheet also shows an increase in long term assets valuations, which amounts to a net increase of £28.269m. Likewise, there has been an increase in current asset balances of £3.644m and an increase in current liabilities balances of £0.488m. There also has been a material movement in long term liabilities, which have increased by £34.187m, the majority of which related to the pension reserve (as documented below).

### **PENSIONS**

- **TEACHERS PENSION SCHEME**

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by the Department for Education. The scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.



- **LOCAL GOVERNMENT PENSION SCHEME**

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits by participating in the Gwynedd Pension Fund administered by Gwynedd Council. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets. Benefits will not actually be payable until employees retire but the Council has a commitment to make the payments to the Pension Fund that need to be disclosed at the time that the employees earn their future entitlement.

International Accounting Standard (IAS) 19 – Employee Benefits applies to all local authorities and relates to the Gwynedd Local Government Pension Fund administered by Gwynedd Council.

The current economic climate continues to have an impact on the net Pensions Liability. One of the significant changes on the Balance Sheet relates to the Council's pensions reserve, which has increased from £91.152m to £125.477m, an increase £34.325m. It is important to note that the apparent deterioration in the pension position is based on actuarial valuations and does not represent an immediate call on the Council's reserves. The Council's actual payments to the Pension Fund are reviewed every three years as part of the triennial valuation of the Pension Fund. An investment strategy is then determined which aims to recover this deficit over the period as determined by the Pension Fund's Actuary (Hymans Robertson).

The Movement in Reserves Statement and the Comprehensive Income and Expenditure Statement shows the pensions benefits earned in the year, adjusted as necessary to reflect that part of the pensions costs that are not met from Council taxpayers.

## **PROVISIONS**

Total provisions held by the Council amounted to £5.308m at 1 April 2014. During the year the balance increased by £3.421m to £8.729, principally due to changes in the Insurance provision, an increase in the Equal Pay provision and a transfer of £2.900m from the job Evaluation as that exercise is now nearing a final outcome.

Details of the movements in provisions are shown in note 27 to the Accounts.

## THE STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

### The Isle of Anglesey County Council's responsibilities

The Isle of Anglesey County Council is required to:-

- \* make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Acting Head of Function (Resources) who is the designated Section 151 Officer.
- \* manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- \* approve the statement of accounts.

### The Section 151 Officer's responsibilities

The Section 151 Officer is responsible for the preparation of the Council's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ("The Code").

In preparing this statement of accounts, the Acting Section 151 Officer has:-

- \* selected suitable accounting policies and then applied them consistently.
- \* made judgements and estimates that were reasonable and prudent.
- \* complied with Local Authority Code of Practice

The Acting Section 151 Officer has also:-

- \* kept proper accounting records, which were up to date.
- \* taken reasonable steps for the prevention and detection of fraud and other irregularities.

### Certificate

I certify that this Statement of Accounts gives a true and fair view of the financial position of the Isle of Anglesey County Council at the accounting date and its income and expenditure for the year ended 31 March 2015.

**Signed:** .....  
**RICHARD MICKLEWRIGHT**  
**ACTING HEAD OF FUNCTION (RESOURCES) & SECTION 151 OFFICER**

**Dated: 30 September 2015**

### Approval of Accounts

In accordance with the Accounts and Audit (Wales) Regulations 2014, I certify that the Statement of Accounts was approved by Full Council on 30 September 2015.

**Signed** .....  
**JIM EVANS**  
**CHAIRMAN ISLE OF ANGLESEY COUNTY COUNCIL**

**Dated: 30 September 2015**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ISLE OF ANGLESEY  
COUNTY COUNCIL**

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## MOVEMENT IN RESERVES STATEMENT FOR YEAR ENDED 31 MARCH 2015

This Statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'Surplus/(Deficit) on the provision of services' line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different from the statutory amounts required to be charged to the Council Fund Balance for council tax setting purposes and the Housing Revenue Account for rent setting purposes. The 'Net Increase / (Decrease) before transfers to earmarked reserves' line shows the in-year movement on the Council Fund and Housing Revenue Account balances before any discretionary transfers to or from earmarked reserves are made by the Council.

	Council Fund Balance £'000	Earmarked Council Fund Reserves (Note 8) £'000	HRA Balance (Supplementary Financial Statements) £'000	Capital Receipts Reserve (Note 10) £'000	Schools Balances (Note 9) £'000	Capital Grants Unapplied (Note 14) £'000	HRA Earmarked Reserve (Note 8) £'000	Total Usable Reserves £'000	Total Unusable reserves (Note 11) £'000	Total Reserves of The Council £'000
<b>Balance 1 April 2013</b>	5,910	15,611	482	14	1,184	262	1,016	24,479	125,982	150,461
<b>Movement in reserves during the year</b>										
Surplus/(Deficit) on provision of services	(4,430)	-	(456)	-	-	-	-	(4,886)	-	(4,886)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	6,499	6,499
<b>Total Comprehensive Income and Expenditure</b>	<b>(4,430)</b>	<b>-</b>	<b>(456)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,886)</b>	<b>6,499</b>	<b>1,613</b>
Adjustments between accounting basis and funding basis under regulations (note 7)	6,267	-	1,688	(14)	-	(262)	-	7,679	(7,679)	-
<b>Net Increase/ (Decrease) before Transfers to Earmarked Reserves</b>	<b>1,837</b>	<b>-</b>	<b>1,232</b>	<b>(14)</b>	<b>-</b>	<b>(262)</b>	<b>-</b>	<b>2,793</b>	<b>(1,180)</b>	<b>1,613</b>
Transfers to/(from) Earmarked Reserves (note 8)	(2,070)	1,736	(43)	-	334	-	43	-	(2)	(2)
<b>Increase/(Decrease) In Year</b>	<b>(233)</b>	<b>1,736</b>	<b>1,189</b>	<b>(14)</b>	<b>334</b>	<b>(262)</b>	<b>43</b>	<b>2,793</b>	<b>(1,182)</b>	<b>1,611</b>
<b>Balance 31 March 2014</b>	<b>5,677</b>	<b>17,347</b>	<b>1,671</b>	<b>-</b>	<b>1,518</b>	<b>-</b>	<b>1,059</b>	<b>27,272</b>	<b>124,800</b>	<b>152,072</b>
<b>Movement in reserves during the year</b>										
Surplus/(Deficit) on provision of services	(9,148)	-	(692)	-	-	-	-	(9,840)	-	(9,840)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	7,078	7,078
<b>Total Comprehensive Income and Expenditure</b>	<b>(9,148)</b>	<b>-</b>	<b>(692)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,840)</b>	<b>7,078</b>	<b>(2,762)</b>
Adjustments between accounting basis and funding basis under regulations (note 7)	9,973	-	1,842	-	-	-	-	11,815	(11,815)	-
<b>Net Increase/ (Decrease) before Transfers to Earmarked Reserves</b>	<b>825</b>	<b>-</b>	<b>1,150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,975</b>	<b>(4,737)</b>	<b>(2,762)</b>
Transfers to/(from) Earmarked Reserves (note 8)	691	(1,568)	-	-	920	-	(43)	-	-	-
<b>Increase/(Decrease) In Year</b>	<b>1,516</b>	<b>(1,568)</b>	<b>1,150</b>	<b>-</b>	<b>920</b>	<b>-</b>	<b>(43)</b>	<b>1,975</b>	<b>(4,737)</b>	<b>(2,762)</b>
<b>Balance 31 March 2015</b>	<b>7,193</b>	<b>15,779</b>	<b>2,821</b>	<b>-</b>	<b>2,438</b>	<b>-</b>	<b>1,016</b>	<b>29,247</b>	<b>120,063</b>	<b>149,310</b>

**COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT  
FOR YEAR ENDED 31 MARCH 2015**

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Council raises taxation to cover expenditure in accordance with regulations; which may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2014/15				2013/14		
Gross Expenditure	Gross Income	Net Expenditure	Note	Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
463	(430)	33	Central Services	739	(341)	398
7,777	(3,382)	4,395	Cultural and related services	8,170	(3,452)	4,718
72,978	(13,586)	59,392	Children and educational services	71,884	(12,832)	59,052
14,235	(3,395)	10,840	Highways and transport services	15,443	(3,970)	11,473
16,955	(14,435)	2,520	Council housing (HRA)	15,237	(13,484)	1,753
25,413	(22,973)	2,440	Other housing services	25,862	(23,757)	2,105
31,014	(8,820)	22,195	Adult social care	35,860	(8,421)	27,439
9,133	(3,911)	5,222	Planning and development	10,265	(4,761)	5,504
11,607	(2,377)	9,230	Environmental services	12,836	(2,524)	10,312
11,637	(1,009)	10,628	Corporate and democratic core	7,025	(1,487)	5,538
224	-	224	Non distributed costs	76	-	76
<b>201,436</b>	<b>(74,318)</b>	<b>127,119</b>	<b>Deficit on Continuing Operations</b>	<b>203,397</b>	<b>(75,029)</b>	<b>128,368</b>
		9,616	Other operating expenditure	12		10,403
		10,201	Financing and investment income and expenditure	13		8,566
		(137,096)	Taxation and non-specific grant Income	14		(142,451)
		<b>9,840</b>	<b>Deficit on Provision of Services</b>			<b>4,886</b>
		(38,252)	Surplus on revaluation of non current assets	11c, 15 & 17		(12,516)
		31,174	Re-measurement of net Pension liability	11ch & 41		6,017
		<b>(7,078)</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>(6,499)</b>
		<b>2,762</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>(1,613)</b>

## BALANCE SHEET AS AT 31 MARCH 2015

The Balance Sheet shows the value of the assets and liabilities recognised by the Council as at the Balance Sheet date. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that can only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses, where amounts would only become available to provide services if the assets are sold (for example the Revaluation Reserve); and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

	Note	31-Mar-2015 £'000	31-Mar-2014 £'000
Property, plant and equipment	15	344,077	315,636
Heritage assets	17	3,212	3,313
Investment property	18	7,145	7,139
Intangible assets	19	332	379
Long term investments	44	-	-
Long term debtors	24	430	460
<b>Long Term Assets</b>		<b>355,196</b>	<b>326,927</b>
Short term investments	44	-	-
Assets held for sale	21	2,137	1,011
Inventories	23	566	447
Short term debtors	24	21,154	24,701
Cash and cash equivalents	25	12,405	6,459
<b>Current Assets</b>		<b>36,262</b>	<b>32,618</b>
Short term borrowing	44	(1,688)	(1,688)
Short term creditors	26	(16,244)	(19,395)
Short term Provisions	27	(6,160)	(2,613)
Capital Grants receipts in advance	37	(380)	(288)
<b>Current Liabilities</b>		<b>(24,472)</b>	<b>(23,984)</b>
Long term creditors	26	(55)	(59)
Long term Provisions	27	(2,569)	(2,695)
Long term borrowing	44	(89,575)	(89,583)
Other long term liabilities	41	(125,477)	(91,152)
<b>Long Term Liabilities</b>		<b>(217,676)</b>	<b>(183,489)</b>
<b>Net Assets</b>		<b>149,310</b>	<b>152,072</b>
Usable reserves	8-10	29,247	27,272
Unusable reserves	11	120,063	124,800
<b>Total Reserves</b>		<b>149,310</b>	<b>152,072</b>



## CASH FLOW STATEMENT – FOR YEAR ENDED 31 MARCH 2015

The Cash Flow Statement shows the changes on cash and cash equivalents of the Council during the financial year. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources that are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

	Note	2014/15 £'000	2013/14 £'000
<b>Net Deficit on the provision of services</b>		<b>(9,840)</b>	<b>(4,886)</b>
Adjustments to net surplus or deficit on the provision of services for non- cash movements	28	31,981	23,261
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	28	(11,038)	(12,290)
<b>Net cash flows from operating activities</b>		<b>11,103</b>	<b>6,085</b>
<b>Net cash flows from investing activities</b>	29	<b>(5,424)</b>	<b>4,604</b>
<b>Net cash flows from financing activities</b>	30	<b>267</b>	<b>(6,534)</b>
<b>Net increase in cash and cash equivalents</b>		<b>5,946</b>	<b>4,155</b>
Cash and cash equivalents at the beginning of the financial year	25	6,459	2,304
<b>Cash and cash equivalents at the end of the financial year</b>	25	<b>12,405</b>	<b>6,459</b>

## **NOTES TO THE ACCOUNTS**

### **NOTE 1 - STATEMENT OF ACCOUNTING POLICIES**

This section discloses the specific accounting policies adopted by the Council for completion of the accounts.

<b>Policy Reference</b>	<b>Policy Title</b>
1	General Principles
2	Accruals of Income and Expenditure
3	Events After the Balance Sheet Date
4	Jointly Controlled Operations and Jointly Controlled Assets
5	Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors
6	Value Added Tax (VAT)
7	Non- Current Assets (Property, Plant and Equipment)
8	Investment Properties
9	Intangible Assets
10	Inventories and Long Term Contracts
11	Cash and Cash Equivalents
12	Financial Instruments
13	Provisions, Contingent Liabilities and Contingent Assets
14	Reserves
15	Revenue Recognition
16	Internal Interest
17	Leases
18	Charges to Revenue for Non-Current Assets Minimum Revenue Provision (MRP)
19	Grants Receivable
20	Revenue Expenditure Funded from Capital Under Statute (REFCUS)
21	Overheads and Support Services
22	Foreign Currency
23	Charges to Revenue for Non-Current Assets
24	Employee Benefits
25	Equal Pay, Single Status and Job Evaluation Claims
26	Exceptional Items
27	Accounting for NNDR
28	Agency Income and Expenditure

#### **1. General Principles**

The Statement of Accounts summarises the Council's transactions for the 2014/15 financial year and its position at the year-end of 31 March 2015. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 and the Service Reporting Code of Practice 2014/15, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. All principal accounting policies have been applied consistently throughout the year.

## **2. Accruals of Income and Expenditure**

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:-

- Income and expenditure is accounted for in the year the activity it relates to takes place, not simply when cash is paid or received, i.e. on an accruals basis. This means income is recorded when it is earned not received and expenditure when it is incurred not when it is paid;
- Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council;
- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council;
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made;
- Interest receivable on investments and bank deposits and payable on borrowings (including bank overdrafts) is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than necessarily the cash flows fixed or determined by the contract;
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that may not be collected.

## **3. Events after the Balance Sheet date**

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the financial year and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:-

- those that provide evidence of conditions that existed at the end of the financial year – the Statement of Accounts is adjusted to reflect such events;
- those that are indicative of conditions that arose after the financial year – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

#### **4. Jointly Controlled Operations and Jointly Controlled Assets**

Jointly controlled operations are activities undertaken by the Council in conjunction with other ventures that involve the use of the assets and resources of the venturers rather than the establishment of a separate entity. The Council recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure it incurs and the share of income it earns from the activity of the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Council and other venturers, with the assets being used to obtain benefits for the venturers. The joint venture does not involve the establishment of a separate entity. The Council accounts for only its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

#### **5. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of the transactions, other events and the conditions on the Council's financial position and financial performance. Where a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

#### **6. Value Added Tax (VAT)**

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

#### **7. Non- Current Assets (Property, Plant and Equipment)**

Expenditure on the acquisition, creation or enhancement of non-current assets is capitalised on an accruals basis, provided that it will yield benefits to the Council for more than one financial year. These include intangible assets, property, plant and equipment, heritage assets and investment properties. It would not typically include assets held for sale, as they would normally be expected to be disposed of within twelve months.

The costs of these assets may include initial costs of acquisition and construction and subsequent costs to enhance or replace part of the asset. All other expenditure arising from day to day servicing of assets is recognised in the Comprehensive Income and Expenditure Statement as the costs are incurred.

## Recognition

Expenditure on the acquisition, creation or enhancement of Non-Current Assets is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

## Measurement

Assets are initially measured at cost, comprising:-

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located in cases where, in order to bring an asset into use, any relocation of the asset is required.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be their fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Assets are then carried in the Balance Sheet using the following measurement bases:-

- Infrastructure, community assets, assets under construction and surplus assets – depreciated historical cost;
- Council dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH);
- Property, plant and equipment – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value. 'Short Useful life' typically means 7 years or less, although it may be longer for specialist items of plant & equipment.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. In practice, the Council undertakes valuations of its assets based on a five-year rolling programme. Individual items within distinct classes of asset, e.g. primary schools, smallholdings, etc. are valued in a single year, in order to ensure that all assets of any one type are revalued within a short period. Assets with a carrying value over £500k are revalued each year.

In the years between rolling valuations, reference is made to the relevant indices and adjustments made to valuations if there is any indication of material change. Increases in asset values are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, revaluation gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for as follows:-

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- where there is no balance in the Revaluation Reserve, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

### **Impairment**

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired.

Examples of events and changes in circumstances that indicate impairment may have incurred include:-

- significant decline (i.e. more than expected as a result of the passage of time or normal use) in an asset's carrying amount during the period, that is specific to the asset;
- evidence of obsolescence or physical damage of an asset;
- a commitment by the Council to undertake a significant reorganisation; and
- a significant adverse change in the statutory or other regulatory environment in which the Council operates.

Where indications exist, and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:-

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the impairment against the asset is written down against that balance (up to the amount of the accumulated gains);
- where there is no balance in the Revaluation Reserve, the impairment against the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement; where an impairment loss is subsequently reversed, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, to the extent that the original loss was recognised in the CIES, adjusted for depreciation that would have been charged if the loss had not been recognised. Any excess is recognised in the Revaluation Reserve.

## Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:-

- dwellings and other buildings – straight-line allocation over periods of up to 75 years, as estimated by the valuer;
- vehicles, plant, furniture and equipment – straight-line allocation over 5 to 15 years;
- infrastructure – straight-line allocation over periods of up to 45 years.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

### Non-current Assets Held for Sale

These assets are actively marketed for sale and where the Council expects that sale will go through in the next twelve months. They are identified separately as the value in the Balance Sheet will be recovered principally through a sale transaction rather than future continued use. The asset (or disposal group) is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets (or a disposal group) no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

A 'disposal group' is a group of assets, possibly with some associated liabilities, which the Council intends to dispose of in a single transaction. The measurement basis required for non-current assets classified as held for sale is applied to the group as a whole, and any resulting loss reduces the carrying amount of the non-current assets in the disposal group in the order of allocation required by IAS 36.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

### Disposals of Non-current Assets

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. This cost is subsequently transferred to the Capital Adjustment Account in the Movement in Reserves Statement.

Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals are set aside to reduce the need to borrow and to match debt charges funded from housing subsidy. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the Council Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the Council Fund Balance in the Movement in Reserves Statement.

### **Heritage Assets**

Heritage Assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations. They are held by the Council in pursuit of its overall objectives to preserve the heritage of the Isle of Anglesey. Heritage Assets held by the Council include historical buildings and works of art.

Operational Heritage Assets (i.e. those that, in addition to being held for their heritage characteristics, are also used by the Council for other activities or to provide other services) are valued and accounted for as operational assets, in the same way as other assets of that general type (e.g. operational buildings). For completeness, information in respect of operational Heritage Assets, in addition to being incorporated into disclosures under the relevant operation heading(s) (e.g. Property, Plant and Equipment), is separately identified and disclosed together with those relating to other Heritage Assets.

Heritage Assets are valued on the basis that is most appropriate and relevant in respect of the individual asset or class of assets. Where it is not practicable to obtain a valuation at a cost, which is commensurate with the benefits to users of the financial statements, Heritage Assets are measured at historical cost (less any accumulated depreciation, amortisation and impairment losses). Where Heritage Assets are measured at valuation, then the carrying amount is measured with sufficient frequency to ensure that the valuations remain current, and at intervals of no greater than five years.

Where a Heritage Asset has a finite life, depreciation is provided for on the same bases as for other classes of asset (for detail see under Non-Current Assets - Property, Plant and Equipment).

Depreciation is not provided on Heritage Assets which have indefinite lives. The carrying amount of a Heritage Asset is reviewed where there is evidence of impairment; for example, where it has suffered physical deterioration or breakage or new doubts arise as to its authenticity. Any impairment is recognised on the same basis as for other classes of asset (for detail see under Non-Current Assets - Property, Plant and Equipment'). The Council does not currently actively seek further acquisitions of Heritage Assets, but responds to opportunities to enhance its portfolio as they arise. The art collections are housed at Oriel Ynys Môn, with maintenance work being carried out as required. Parts of the collection are on display at any one time, while access to the remainder is available by arrangement. The Heritage Properties are managed and maintained, with due regard for their heritage characteristics, as part of the Council's overall portfolio of land and buildings.



## **Treatment of School Assets**

Land and buildings of voluntary aided and foundation school are owned and controlled by the trustees of the schools or the foundation body and are, therefore, not shown on the balance sheet of the Council.

Capital expenditure on community schools is added to the balances for those schools. Capital expenditure on voluntary aided, controlled and foundation schools is treated as "REFCUS" (Revenue Expenditure Funded from Capital under Statute) and written off each year to the comprehensive income and expenditure statement within Education and Children's services.

Individual schools' balances at 31 March 2015 are included in the Balance Sheet of the Council as any unspent delegated schools budgets remain the property of the Council.

The status for accounting purposes of the assets of voluntary controlled & voluntary aided schools is as follows:-

- Voluntary Controlled Schools: the land has been included on the Balance Sheet but not the buildings;
- Voluntary Aided Schools: neither the land nor the buildings are included in the Balance Sheet;
- Additionally, neither the land nor the buildings of Caergeiliog Foundation School are included on the balance sheet, as these assets vest with the trustees of the school.

## **8. Investment Properties**

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and, subsequently, at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are revalued annually according to market conditions at the Balance Sheet date. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the Council Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Council Fund Balance.

The gains and losses are, therefore, reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

## **9. Intangible Assets**

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are, therefore, carried at cost less accumulated amortisation. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses, and disposal gains and losses are not permitted to have an impact on the Council Fund Balance. The gains and losses are, therefore, reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

## **10. Inventories and Long Term Contracts**

Inventories are included in the balance sheet at the lower of cost or net realisable value. The cost of inventories is assigned using the 'First In, First Out' (FIFO) costing formula.

Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

Work in progress is included in the balance sheet at cost.

## **11. Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

## **12. Financial Instruments**

### **Financial Liabilities**

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are subsequently carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable plus accrued interest and the interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the Council Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the Council Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

### **Financial Assets**

Financial assets are classified into two types:-

- Loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market;
- Available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments.

### **Loans and Receivables**

Loans and receivables are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on de-recognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. However, the Council has made a limited number of loans to employees and at less than market rates (soft loans). The Council has determined that the value of the individual loans of notional interest foregone is negligible and so has not adjusted the entries to the Income and Expenditure in respect of these soft loans.

### **Available for Sale Assets**

Where applicable and if material, available-for-sale assets are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following Principles:-

- Instruments with quoted market prices – the market price;
- Other instruments with fixed and determinable payments – discounted cash flow analysis;
- Equity shares with no quoted market prices – independent appraisal of company valuations;
- Fair Value – a price agreed between both parties.

Changes in fair value are balanced by an entry in the Available-for-Sale Reserve and the gain/loss is recognised in the Surplus or Deficit on Revaluation of Available-for-Sale Financial Assets. The exception is where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement along with any net gain or loss for the asset accumulated in the Available-for-Sale Reserve.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made (fixed or determinable payments) or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

Any gains and losses that arise on the de-recognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement along with any accumulated gains or losses previously recognised in the Available-for-Sale Reserve. Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

## **13. Provisions, Contingent Liabilities and Contingent Assets**

### **Provisions**

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate section line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

### **Contingent Liabilities**

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Material contingent liabilities are not recognised in the Balance Sheet but disclosed as a note in the accounts (Note 42).

### **Contingent Assets**

A contingent asset arises where an event has taken place that gives the Council a possible asset, the existence of which will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Material Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential (Note 43).

## **14. Reserves**

The Council maintains a range of reserves, reflecting both the extent to which its overall assets exceed its liabilities and any restrictions either statutory or voluntary, which are placed upon the usage of these balances. The Council has discretion to set aside specific amounts as reserves where they wish to earmark available funds for future policy purposes, to cover contingencies or manage cash flow. These are summarised in the Movement in Reserves Statement.

Reserves are created by appropriating amounts out of the Council Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the Council Fund Balance in the Movement on the Reserve Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, and retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies and notes.

## **15. Revenue Recognition**

The revenue recognition policy covers the sale of goods (produced by the Council for the purpose of sale or purchased for resale), the rendering of services (excluding services directly related to construction contracts), interest, royalties and dividends, non-exchange transactions (i.e. council tax) and where previously a liability had been recognised (i.e. creditor) on satisfying the revenue recognition criteria.

Revenue is recognised and measured at the fair value of the consideration receivable. However, if payment is on deferred terms, the consideration receivable is recognised initially at the cash price equivalent. The difference between this amount and the total payments received is recognised as interest revenue in the Surplus or Deficit on Provision of Services. Short duration receivables with no stated interest rate are measured at original invoice amount where the effect of discounting is immaterial. There is no difference between the delivery and payment dates for non-contractual, non-exchange transactions i.e. revenue relating to council tax and general rates, and, therefore, these transactions are measured at their full amount receivable.

## **16. Internal Interest**

The Council invests its cash balances in accordance with its Treasury Management and Investment Policies for periods up to 5 years and the interest is accrued and credited to the Council Fund. Interest is credited to trust funds and other third party funds based on the rate of interest earned by the Council. Some reserves receive interest by way of an appropriation calculated on the same basis.

## **17. Leases**

Where applicable and material, leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. The Council does not hold any leases of this type and, therefore, the leases that the Council does hold are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification. Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets. Leases have been reviewed taking into account the materiality level of both annual rentals and capital values and inclusion in the accounts are based on these levels.

## **The Council as lessee**

### **i. Finance Leases**

If applicable and of a material value, items of property, plant and equipment held under finance leases would be recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:-

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability; and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

If Property, Plant and Equipment is recognised under finance leases, they would be accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are, therefore, substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### **ii. Operating Leases**

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

## **The Council as lessor**

### **i. Finance Leases**

If the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. If applicable, at the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. The Council's net investment in the lease is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal) matched by a lease (long-term debtor) asset in the Balance Sheet. Lease rentals receivable are apportioned between:-

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received); and
- Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are, therefore, appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

## ii. Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

## 18. Charges to Revenue for Non - Current Assets - Minimum Revenue Provision (MRP)

The Comprehensive Income and Expenditure Statement is charged with the following amounts to record the real cost of holding non-current assets during the year:-

- Depreciation and Amortisation of assets used by the Service;
- Revaluation and impairment losses on assets used by the Service;
- Profit or loss on disposal of assets.

The Council is not required to raise council tax to cover these costs. However, it is required to set aside an annual contribution from revenue towards its overall borrowing requirement. These costs are, therefore, replaced by the Minimum Revenue Provision by way of an adjusting entry in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets are fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement. The Local Government Act 2003 requires the Council to charge the Council Fund a provision for the redemption of debt. This is then reduced by the amount of depreciation charge already made to the Comprehensive Income and Expenditure Account to leave the net MRP chargeable to the Council Fund.



The Welsh Government issued new regulations in 2008/09 requiring local authorities in Wales to make a prudent provision for MRP, including an option to provide a MRP over the life of an asset. The policy also allows MRP to be deferred until the asset is commissioned.

The Council, however, continues to calculate using the capital financing requirement methodology as follows:-

- the Housing Revenue Account (HRA) provision is calculated as being 2% of the opening HRA Capital Financing Requirement (CFR);
- the Council Fund provision is based on 4% of the opening Non-HRA CFR up to 2007/08, in line with Regulations implemented under the Local Government Act 2003.
- Since 2007/08, MRP is based on the useful life of the asset.

An exception to this policy arises in respect of expenditure which is subject to a capitalisation direction issued under Section 40(6) of the Local Government and Housing Act 1989. Any such expenditure will be amortised either in accordance with the above policy or over the number of years specified within the direction.

## **19. Grants Receivable**

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:-

- the Council will comply with the conditions attached to the payments; and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset received in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or services potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied, are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the Council Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

## **20. Revenue Expenditure Funded from Capital under Statute (REFCUS)**

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the Council Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

## **21. Overheads and Support Services**

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the Chartered Institute of Public Finance Accounting (CIPFA) Service Reporting Code of Practice 2013/14 (SeRCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:-

- Corporate and Democratic Core – costs relating to the Council's status as a multi-functional, democratic organisation. However, a charge is made to the Housing Revenue Account;
- Non-Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and impairment losses chargeable on Assets Held for Sale.

These two cost categories are defined in SeRCOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of the Net Expenditure on Continuing Services.

## **22. Foreign Currency**

The Council has a number of grant aided schemes under the 'Interreg' programme where the lead body is an Irish Institution and grants are denominated in Euros. A Euro Bank account was opened to support these schemes. The balance on this bank account at the year-end is converted at the spot exchange rate at 31 March with resulting gains or losses being recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

## **23. Charges to Revenue for Non-Current Assets**

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:-

- depreciation attributable to the assets used by the relevant service;
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off;
- amortisation of intangible assets attributable to the service.

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisations are, therefore, replaced by the contribution in the Council Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Transactions in relation to investment properties are recorded against the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement.

## **24. Employee Benefits**

### **Benefits Payable during Employment**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end, which employees can carry forward into the next financial year.

The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. To prevent fluctuations from impacting on Council Tax, the year on year change in cost generated by this accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement to the Accumulating Absences Adjustment Account, so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

The Council does not award long-term employee benefits i.e. those which are not expected to be paid or settled within 12 months of the Balance Sheet date.

### **Termination Benefits**

Termination benefits are amounts payable as a result of a decision by the Council to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy and are charged on an accruals basis to the Corporate and Democratic Costs line in the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to the termination of the employment of an employee or group of employees or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the Council Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and such amounts payable but unpaid at the year-end.

### **Post-Employment Benefits**

Employees of the Council are entitled to be members of two separate pension schemes:-

- The Teachers' Pension Scheme, administered by the Department for Education;
- The Local Government Pension Scheme administered by Gwynedd Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

### **Teachers' Pension Scheme**

The arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified to the Council. The scheme is, therefore, accounted for as if it was a defined contributions scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Children and Educational Services line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to the Teachers' Pension Agency in the year.

### **The Local Government Pension Scheme**

All employees (other than teachers) and councillors, subject to certain qualifying criteria, are able to join the Local Government Pension Scheme. The Scheme is known as the Gwynedd Pension Fund and is administered by Gwynedd Council in accordance with the Pension Regulations 2008 on behalf of all participating employers. Under International Accounting Standard (IAS 19), the Local Government Scheme is accounted for as a defined benefits scheme:-

The liabilities of the Gwynedd Pension Scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees;

Liabilities are discounted to their value at current prices, using a real discount rate that is based on the indicative rate of return on UK Government bonds adjusted for an addition to the yield that reflects the extra risk involved in using AA Corporate Bond yields – known as the credit spread;

The assets of Gwynedd Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:-

- Quoted securities - current bid price;
- Unquoted securities - professional estimate;
- Unquoted securities - current bid price;
- Property - market value.

The change in the net pension liability is analysed into six components:-

- a) current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- b) past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;

- c) Net interest on the net defined benefit liability i.e. the net interest expense for the Council - the change during the period in the net defined benefit liability that arises from the passage of time is charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period, to the net defined liability at the beginning of the period (taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments);
- ch) Re-measurement comprising:-
- The return on plan assets (excluding amounts already included in the net interest on net defined benefit), this is charged to the Pensions reserve as Other Comprehensive Income and Expenditure;
  - The actuarial gains and losses – changes in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. This is charged to the Pensions reserve as other Comprehensive Income and Expenditure;
- d) gains or losses on settlements and curtailments – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees - debited or credited to the Surplus or Deficit on the Provision of Services to the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
- dd) contributions paid to the Gwynedd Pension Fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

Components (a-dd) are charged to the Comprehensive Income and Expenditure Statement in year, but to avoid changes in pensions liabilities having a disproportionate impact on Council Tax, statutory provisions exist that restrict the amount charged against the General Fund to the amount payable by the Council to the Pension Fund (dd). The difference between these two values is adjusted for in the Movement in Reserves Statement. In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards.

This means that there are appropriations to and from the Pensions Reserve to remove the debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the Council Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

### **Discretionary Benefits**

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any employee (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

## **25. Equal Pay, Single Status and Job Evaluation Claims**

The Council is the subject of equal pay, single status and job evaluation claims from current and former employees that it intends to defend. However, the Council has prudently set up both a reserve and a provision to meet the costs arising from these potential liabilities. The Statement of Accounts, therefore, does not currently reflect the actual value of the claims but rather an estimate of the financial liability which will arise from them.

## **26. Exceptional Items**

Where items of income and expense are material in the context of these accounts, their nature and amount is disclosed separately either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

## **27. Accounting for NNDR**

As the Council acts as an agent in the collection of NNDR income, it does not include the financial position with regard to the ratepayers and only reports the net cash position with Central Government in its Balance Sheet. The Council maintains records of NNDR arrears, impairment allowances, prepayments and overpayments in its underlying accounting records, however, for final accounts purposes these balances are consolidated into a single agency account, with the figures netting down to the debtor/creditor to the national pool. The cost of collection allowance received by the Isle of Anglesey County Council is the billing council's income and is included in the Comprehensive Income and Expenditure Statement.

## **28. Agency Income and Expenditure**

Under various statutory powers, a Council may agree with other local authorities, water companies and government departments to do work on their behalf. The body carrying out agency services is reimbursed by the responsible body to the extent of approved expenditure together with any agreed contribution toward administrative costs.

The Isle of Anglesey County Council has acted as an agent on behalf of:-

- Central Government - Collecting National Non-Domestic Rates (NNDR) and paying the sums collected over to Central Government, less the amount retained in respect of the cost of collection allowance.

## **NOTE 2a – ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED**

The Code of Practice on Local Council Accounting in the United Kingdom 2015/16 (the Code) will introduce the undermentioned changes in accounting policies. These changes will, in 2015/16, require retrospective implementation from 1 April 2014.

- IFRS 13 Fair Value Measurement
- Annual improvements to IFRSs (2011-13 Cycle)
- IFRIC 21 Levies.

## **NOTE 2b – ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED AND HAVE BEEN ADOPTED**

The Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 introduced a number of new requirements for Councils to comply with updated reporting standards that have been adopted. The relevant changes relate to the following standards, all of which will be amended for accounts produced for financial periods starting after 1 April 2014.

- IFRS 10 - Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IAS 27 – Separate Financial Statements
- IAS 28 – Investments in Associates and Joint Ventures
- IAS 1 - Annual improvements to IFRS (2009-2011 cycle).

The changes are adopted retrospectively, but as the Statement of Accounts already reflects the requirements of these reporting standards in so much as they apply to the Council there is no need to restate prior period accounting data.

The first five standards listed above (IFRS 10 to IAS 28) relate to how group accounts are prepared and the consolidation process for reporting interests in other companies. The 2014/15 accounts are not produced on a group accounts basis as the Council's interest in such bodies are considered immaterial. The adoption of the new standards would not have impacted on this judgment.

IAS 1 – Annual improvements to IFRS (2009-2011 cycle) clarify the circumstances where it is necessary to include comparative information in the accounts. Comparative information is already included within these statements in line with the revised requirements.

## **NOTE 3 – CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

In applying the accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:-

- The Accounts have been prepared on a going concern basis, which assumes that the functions and services provided by the Council will continue in operational existence for the foreseeable future. No recognition has, to date, been made of proposals being made for Local Government reorganisation which make come to fruition within the next three to four year.
- The Council has determined that a number of assets which are used for social or economic development purposes are not solely held for income generation or capital appreciation purposes and, therefore, do not meet the definition of investment properties. As a consequence, these assets are shown as Non-Current Assets - Property, Plant and Equipment within the Balance Sheet.

- In accordance with current guidance regarding the treatment of certain types of schools, only the value of the land for voluntary controlled schools is included in the Balance Sheet. As the Council does not own these types of schools, and does not have access to them for valuation purposes, the value of the buildings is excluded from the Balance Sheet. In addition to this, Voluntary Aided and Foundation Schools, neither the value of land nor the buildings are included on the Balance Sheet.
- Capital and grants are reviewed regularly to assess if the terms and conditions attached to the respective grants have been met. If the terms and conditions have been met they will be recognised within the Comprehensive Income and Expenditure Statement in the year. If not, they will be carried within the balance sheet within creditors until such time as either the terms and conditions associated with the grant are met or the grant is repaid to the grant provider should the terms and conditions not be met. This treatment can result in material balances being carried in the balance sheet as deferred income.
- The group boundaries have been reviewed using the criteria outlined in the relevant accounting standards and Code of Practice, the Council has not identified any companies or organisations that would require it to complete group accounts.
- There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

#### **NOTE 4a – ASSUMPTIONS MADE ABOUT FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY**

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be different from the assumptions and estimates.

The following items in the Council's Balance Sheet at 31 March 2015 may be considered to be most vulnerable for estimating error in the forthcoming financial year:-

**Non-Current Assets - Property, Plant and Equipment** – Assets are depreciated over useful lives in accordance with standard accounting practices. Any difference between the depreciation applied and actual deterioration to assets will naturally reflect in future spending patterns. Information relating to Property, Plant and Equipment is contained in Note 15 on page 46.

The accounting policy for the depreciation of Property, Plant and Equipment (page 17) identifies that:-

'Where an item of Property, Plant and Equipment (Non-Current Asset) has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.'

Applying this in practice requires two judgements to be made, to establish: -

- the proportion of the cost of an asset which is considered to represent a significant part of the asset; and
- the cost threshold, below which the separate calculation of depreciation on part of an asset would not have a significant effect on the amount of depreciation as a whole.



The Council has set these figures at 20% of the total cost of the asset and £2m respectively. As is stated above in respect of depreciation in general, physical deterioration of the individual parts of an asset may, over time, lead to spending patterns which have not been fully reflected in the levels of depreciation previously provided for.

**Council Housing** - The Council's Housing stock is valued under a standard methodology, part of which requires the application of an adjustment factor to allow for the difference between rents and yields on private sector and social housing. There is currently no published adjustment factor for Wales, and so the Council has selected the most comparable of the English regions and applied the published factor for that, which was 31%. Should a specific factor be published, either for Wales as a whole, or on a regional basis, then this will be applied. Each 1% of any resulting change would increase or decrease the reported value of the stock by approximately £3.5m.

**Provisions** –The Council has made provision for a series of uncertainties, which could result in significant costs in later years. These principally relate to equal pay, after-care costs for the Penhesgyn landfill site, prospective termination benefits for staff leaving the Council and potential liabilities arising from insurance claims. Full details are contained in Note 27. A change in the anticipated value of settlements for legal claims by 10% would increase or decrease the expected value of the liability by approximately £0.015m.

**Pensions Liability** – The Pension Liability position, as contained within the accounts, is based on a number of complex assessments and judgments relating to discount rates, projected salary increases, changes in retirement ages, mortality rates and expected returns on pension assets. A firm of consulting actuaries is engaged by the administering Council to provide expert advice on the assumptions to be applied. Further details are contained in Note 41.

**Doubtful Debts Impairment/Allowance** – As at the 31 of March 2015 the Council had a short-term net debtor balance of £21.65m. A review of arrears balance suggested that impairment for doubtful debts of £5.2m was appropriate. Any differences between the impairment level applied and the actual arrears position will naturally reflect in future spending patterns. Doubtful Debts impairments are contained within the figures for Short Term Debtors contained in Note 24 on page 52.

#### **NOTE 4b - PRIOR PERIOD ADJUSTMENTS, CHANGES IN ACCOUNTING POLICIES AND ESTIMATES AND ERRORS**

There are no prior period adjustments made to the accounts this year.

#### **NOTE 5 – MATERIAL ITEMS OF INCOME AND EXPENSE**

There are no material items of income or expenditure that have not been disclosed elsewhere in the accounts.

#### **NOTE 6 – EVENTS AFTER BALANCE SHEET DATE**

The Statement of Accounts was authorised for issue by the Council's Section 151 Officer on 30 September 2015. Events taking place after this date are not reflected in the financial statements or notes.

Where events taking place before this date provided information about conditions existing at 31 March 2015, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

**NOTE 7 – ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS**

2014/15	Usable Reserves				Movement in
	Council	Housing	Capital	Capital	Unusable
	Fund	Revenue	Receipts	Grants	Reserves
	Balance	Account	Reserve	Unapplied	
	£'000	£'000	£'000	£'000	£'000
<b>Adjustments primarily involving the Capital Adjustment Account:</b>					
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>					
Charges for depreciation impairment and amortisation of non current assets	12,787	8,394	-	-	(21,181)
Revaluation losses on Property, Plant and Equipment	1,540	-	-	-	(1,540)
Movements in the market value of Investment Properties	1,199	-	-	-	(1,199)
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(5,718)	(2,650)	-	-	8,368
Revenue expenditure funded from capital under statute	1,862	-	-	-	(1,862)
Carrying amount of non current assets sold	1,111	189	-	-	(1,300)
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>					
Minimum Revenue Provision For Capital Funding	(3,662)	(1,009)	-	-	4,671
Capital expenditure charged against the Council Fund and HRA balances	(230)	(2,633)	-	-	2,863
<b>Adjustments involving the Capital Receipts Reserve:</b>					
Proceeds From Sale of Non Current Assets	(2,100)	(474)	2,574	-	-
Use of the Capital Receipts Reserve to finance capital expenditure		-	(2,427)	-	2,427
Other Capital Receipts	(96)	-	96	-	-
Capital Receipts Reserve set aside to repay debt	-	-	(243)	-	243
<b>Adjustments involving the Financial Instruments Adjustment Account:</b>					
Amounts by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	106	31	-	-	(137)
<b>Adjustments involving the Pensions Reserve:</b>					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 41)	11,703	198	-	-	(11,901)
Employer's pensions contributions and direct payments to pensioners payable in the year	(8,552)	(198)	-	-	8,750
<b>Adjustment involving Unequal Pay Back Adjustment Account</b>					
Amounts charged to CIES that are different from cost of settlements chargeable in year in accordance with statutory requirements					
<b>Adjustment involving the Accumulating Compensated Absences Adjustment Account</b>					
Adjustments in relation to Short-term compensated absences	23	(6)	-	-	(17)
<b>Total Adjustments</b>	<b>9,973</b>	<b>1,842</b>	<b>-</b>	<b>-</b>	<b>(11,815)</b>

2013/14	Usable Reserves				Movement in
	Council	Housing	Capital	Capital	Unusable
	Fund	Revenue	Receipts	Grants	Reserves
	Balance	Account	Reserve	Unapplied	
	£'000	£'000	£'000	£'000	£'000
<b>Adjustments primarily involving the Capital Adjustment Account:</b>					
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>					
Charges for depreciation impairment and amortisation of non current assets	10,294	5,664	-	-	(15,958)
Revaluation losses on Property, Plant and Equipment	1,377	-	-	-	(1,377)
Movements in the market value of Investment Properties	6	-	-	-	(6)
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(8,373)	(2,600)	-	(262)	11,235
Revenue expenditure funded from capital under statute	2,385	-	-	-	(2,385)
Carrying amount of non current assets sold	400	331	-	-	(731)
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>					
Minimum Revenue Provision For Capital Funding	(3,402)	(1,017)	-	-	4,419
Capital expenditure charged against the Council Fund and HRA balances	(479)	(489)	-	-	968
<b>Adjustments involving the Capital Receipts Reserve:</b>					
Proceeds From Sale of Non Current Assets	(787)	(222)	1,009	-	-
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	(928)	-	928
Other Capital Receipts	(46)	-	46	-	-
Capital Receipts Reserve set aside to repay debt	-	-	(141)	-	141
<b>Adjustments involving the Financial Instruments Adjustment Account:</b>					
Amounts by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	104	14	-	-	(118)
<b>Adjustments involving the Pensions Reserve:</b>					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 41)	13,556	195	-	-	(13,751)
Employer's pensions contributions and direct payments to pensioners payable in the year	(8,455)	(195)	-	-	8,650
<b>Adjustment involving Unequal Pay Back Adjustment Account</b>					
Amounts charged to CIES that are difference from cost of settlements chargeable in year in accordance with statutory requirements	(497)	-	-	-	497
<b>Adjustment involving the Accumulating Compensated Absences Adjustment Account</b>					
Adjustments in relation to Short-term compensated absences	184	7	-	-	(191)
<b>Total Adjustments</b>	<b>6,267</b>	<b>1,688</b>	<b>(14)</b>	<b>(262)</b>	<b>(7,679)</b>

## NOTE 8 – EARMARKED RESERVES

	Balance as at 01/04/2013 £'000	Transfers In 2013/14 £'000	Transfers Out 2013/14 £'000	Balance as at 31/03/2014 £'000	Transfers In 2014/15 £'000	Transfers Out 2014/15 £'000	Balance as at 01/04/2015 £'000
Capital Expenditure	1,000	904	(1,339)	565	495	(290)	770
Penhesgyn Waste Landfill Site Reserve	-	2,000	-	2,000	-	-	2,000
Service Reserves	1,891	-	(268)	1,623	-	(1,623)	-
Restricted Reserves	5,064	1,996	(754)	6,306	3,545	(1,640)	8,211
Job Evaluation	2,667	-	(311)	2,356	3,317	(3,145)	2,528
Recycling	789	108	(667)	230	68	(33)	265
Performance Management Reserve	1,440	-	-	1,440	-	(1,440)	-
Major Repairs Reserve (HRA)	860	-	-	860	-	-	860
Insurance Fund	2,351	184	-	2,535	626	(1,000)	2,161
Other	565	11	(85)	491	-	(491)	-
<b>Total</b>	<b>16,627</b>	<b>5,203</b>	<b>(3,424)</b>	<b>18,406</b>	<b>8,051</b>	<b>(9,662)</b>	<b>16,795</b>

### Purpose of Earmarked Revenue Reserves

**Capital Expenditure** - to fund capital expenditure in future years. This has been created to ensure committed capital expenditure, including expenditure which has slipped from previous years, is fully financed.

**Penhesgyn Waste Landfill Site Reserve** – this reserve has been set up to fund remodelling work relating to groundwork at the landfill site.

**Restricted Reserves** – specific earmarked reserves within service areas.

**Job Evaluation** - As a result of the 'Single Status' agreement, the Council, in common with most other local authorities, was required to introduce a new pay and grading system with effect from 1 April 2007. The extent to which this exercise may involve an obligation to back pay is uncertain. Negotiations are proceeding on a revised pay and grading structure. A sum has been set aside in the Job Evaluation reserve towards the overall cost of the exercise.

**Recycling** - Resources ringfenced solely for the purpose of Waste recycling projects.

**Major Repairs Reserve HRA** – Ring fenced resource within the Housing Revenue Account for the maintenance of property.

**Insurance Fund** - The Council runs an internal insurance account, which pays for self-insured losses, and which receives 'premiums' from service accounts. The known losses at year-end are provided for. This reserve is the surplus on the internal insurance account plus interest on balances and is intended to cover claims, which have been incurred but have not been reported.

**Performance Management Reserve** – This has reverted to the General Fund Balance.

**Other** - These has been reallocated into restricted reserves.

## NOTE 9 – SCHOOLS BALANCES

These balances are reserved for each school's use in pursuance of its educational objectives.

	Balance 01/04/2013 £'000	Addition / (Reduction) for 2013/14 £'000	Balance 31/03/2014 £'000	Addition / (Reduction) for 2014/15 £'000	Balance 31/03/2015 £'000
Community and Voluntary Primary Schools	846	189	1,035	476	1,511
Community Secondary Schools	160	149	309	320	629
Community Special School	28	(23)	5	93	98
Foundation Primary School	150	19	169	31	200
<b>Total</b>	<b>1,184</b>	<b>334</b>	<b>1,518</b>	<b>920</b>	<b>2,438</b>

At 31 March 2015, all schools had balances in surplus apart from 4 primary schools (5 as at 31 March 2014) and 2 secondary schools (2 as at 31 March 2014), which had a combined deficit of £0.348m (£0.864m as at 31 March 2014). Copies of the Section 52 Statements, which each Council is required to prepare after the end of each financial year under Section 52(2) of the School Standards and Framework Act 1998, can be obtained from the Accountancy Section.

## NOTE 10 – CAPITAL RECEIPTS RESERVE

These are cash receipts from the sale of Council assets, which have not yet been used to finance capital expenditure. From April 2004, all receipts are usable, although some of the HRA receipts are set-aside on a voluntary basis to repay debt, in order to match the subsidy on the HRA. The amounts set aside were transferred to the Capital Adjustment Account.

	2014/15 £'000	2013/14 £'000
<b>Balance 1 April</b>	-	14
Capital Receipts in year (net of reduction for administration costs)	2,670	1,055
	<b>2,670</b>	<b>1,069</b>
<b>Less:</b>		
Receipts set aside to repay debt	(243)	(141)
Capital Receipts used for financing	(2,427)	(928)
<b>Balance 31 March</b>	<b>-</b>	<b>-</b>

## NOTE 11 – UNUSABLE RESERVES

	31/03/2015 £'000	31/03/2014 £'000
a) Capital Adjustment Account	163,189	170,542
b) Financial Instruments Adjustment Account	(115)	22
c) Revaluation Reserve	85,178	48,083
ch) Pensions Reserve	(125,477)	(91,152)
d) Unequal Pay Reserve	(1,438)	(1,438)
dd) Accumulating Compensated Absences Adjustment Account	(1,274)	(1,257)
<b>Total Unusable Reserves</b>	<b>120,063</b>	<b>124,800</b>

**a) Capital Adjustment Account**

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with costs such as depreciation, impairment losses and amortisations that are charged to the Comprehensive Income and Expenditure Statement and postings from the Revaluation Reserve to convert fair value figures to historic cost.

The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 7 on page 38 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

Capital Adjustment Account	2014/15		2013/14	
	£'000	£'000	£'000	£'000
<b>Balance at 1 April</b>		170,542		172,400
<b>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</b>				
Charges for depreciation and amortisation of non-current assets	(21,181)		(15,958)	
Revaluation losses on Property, Plant and Equipment	(1,540)		(1,377)	
Revenue expenditure funded from capital under statute	(1,862)		(2,385)	
Amounts of non-current assets written off on disposal or sale (including Impairment) as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,300)		(731)	
		<b>(25,883)</b>		<b>(20,451)</b>
Adjusting amounts written out of the Revaluation Reserve		1,157		910
<b>Net written out amount of the cost of non-current assets consumed in the year</b>		<b>(24,726)</b>		<b>(19,541)</b>
<b>Capital financing applied in the year:</b>				
Use of the Capital Receipts Reserve to finance new capital expenditure	2,427		928	
Application of grants to capital financing from the Capital Grants unapplied account	-		-	
Capital Receipts Reserve set aside to repay debt	243		141	
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	8,368		11,235	
Statutory provision for the financing of capital investment charged against the Council Fund and HRA balances	4,671		4,419	
Capital expenditure charged against the Council Fund and HRA balances	2,863		966	
		<b>18,572</b>		<b>17,689</b>
Movements in the market value of Investment Properties charged to the Comprehensive Income and Expenditure Statement	(1,199)		(6)	
<b>Balance at 31 March</b>		<b>163,189</b>		<b>170,542</b>

## b) Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Council uses the Account to manage premiums paid and penalties charged on the early redemption of loans. Premiums and Penalties are charged to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the Council Fund Balance to the Account in the Movement in Reserves Statement. Over time, the charge is posted back to the Council Fund Balance in accordance with statutory arrangements for spreading the burden on council tax. In the Council's case, this period is the unexpired term that was outstanding on the loans when they were redeemed.

	2014/15 £'000	2013/14 £'000
<b>Balance at 1 April</b>	<b>22</b>	<b>140</b>
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(137)	(118)
<b>Balance at 31 March</b>	<b>(115)</b>	<b>22</b>

## c) Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment and Heritage Assets.

The balance is reduced when assets with accumulated gains are:-

- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created.

Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	2014/15 £'000	2013/14 £'000
<b>Balance at 1 April</b>	<b>48,083</b>	<b>36,477</b>
Revaluation of assets and impairment losses not charged to the Deficit on the Provision of Services	38,252	12,516
Difference between fair value depreciation and historical cost depreciation	(928)	(813)
Revaluation balances on assets scrapped or disposed of	(229)	(97)
<b>Balance at 31 March</b>	<b>85,178</b>	<b>48,083</b>



#### ch) Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds, or eventually pay any pensions for which it is directly responsible. The debit balance on the Pensions Reserve, therefore, shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them.

The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2014/15	2013/14
	£'000	£'000
<b>Balance at 1 April</b>	<b>(91,152)</b>	<b>(80,034)</b>
Re-measurement of net defined liability	(31,174)	(6,017)
Reversal of items relating to retirement benefits debited or credited to the Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(11,901)	(13,751)
Employers pension contribution and direct payment to pensioners Payable in the year	8,750	8,650
<b>Balance at 31 March</b>	<b>(125,477)</b>	<b>(91,152)</b>

#### d) Unequal Pay Reserve

The Unequal Pay Back Pay Account compensates for the differences between the rate at which the Council provides for the potential costs of back pay settlements in relation to Equal Pay cases and the ability under statutory provisions to defer the impact on the General Fund Balance until such time as cash might be paid out to claimants.

	2014/15	2013/14
	£'000	£'000
<b>Balance at 1 April</b>	<b>(1,438)</b>	<b>(1,935)</b>
Increase in provision for back pay in relation to Equal Pay cases	-	(1,438)
Cash settlements paid in the year	-	1,935
<b>Balance at 31 March</b>	<b>(1,438)</b>	<b>(1,438)</b>

#### dd) Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the Council Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the Council Fund Balance is neutralised by transfers to or from the Account.

	2014/15	2013/14
	£'000	£'000
Settlement or cancellation of accrual made at the end of the preceding year	1,257	1,066
Amounts accrued at the end of the current year	(1,274)	(1,257)
<b>Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements</b>	<b>(17)</b>	<b>(191)</b>

#### NOTE 12 – OTHER OPERATING EXPENDITURE

	2014/15	2013/14
	£'000	£'000
Precept paid to North Wales Police	6,844	6,618
Precept paid to Community Councils	1,000	946
(Surplus) / Losses on the disposal of non-current assets (Including De-recognition)	(1,335)	(366)
Levies	3,201	3,218
Other	(94)	(13)
<b>Total</b>	<b>9,616</b>	<b>10,403</b>

#### NOTE 13 – FINANCING AND INVESTMENT INCOME AND EXPENDITURE

	2014/15	2013/14
	£'000	£'000
Interest payable and similar charges	5,117	5,274
Net interest on the defined liability	3,903	3,678
Interest receivable and similar income	(91)	(201)
Income and expenditure in relation to investment properties and changes in their fair value	1,272	(185)
<b>Total</b>	<b>10,201</b>	<b>8,566</b>

	2014/15	2013/14
	£'000	£'000
<b>Income/Expenditure from Investment Properties:</b>		
Income including rental income	(789)	(798)
Expenditure	735	606
<b>Net income from investment properties</b>	<b>(54)</b>	<b>(192)</b>
<b>Deficit on sale of Investment Properties:</b>		
Proceeds from sale	(36)	(50)
Carrying amount of investment properties sold	108	50
<b>Deficit on sale of Investment Properties:</b>	<b>72</b>	<b>1</b>
<b>Changes in Fair Value of Investment Properties</b>	<b>1,254</b>	<b>6</b>
<b>Total</b>	<b>1,272</b>	<b>(185)</b>

**NOTE 14 - TAXATION AND NON-SPECIFIC GRANT INCOME**

	<b>2014/15</b>	<b>2013/14</b>
	<b>£'000</b>	<b>£'000</b>
Council Tax Income	31,821	29,983
Non Domestic Rates Redistribution	22,124	22,025
Revenue Support Grant	68,827	73,036
Council Tax Reduction Scheme Grant	5,237	5,166
Other Government Grants	720	1,268
Capital Grants Applied to fund Capital Expenditure	8,368	10,973
<b>Total Taxation and Non-Specific Grant Income</b>	<b>137,096</b>	<b>142,451</b>

**NOTE 15 – NON CURRENT ASSETS -PROPERTY, PLANT AND EQUIPMENT- (PPE)**  
**Current Year**

	Property, Plant and Equipment							
	Council Dwellings	Land and Buildings	Infra-structure Assets	Vehicles, Plant and Equipment	Community Assets	PPE Under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>								
At 1 April 2014	101,233	185,727	65,778	9,255	9	10	1,263	363,275
Additions (Note 20)	5,519	4,283	4,487	333	-	1,816	-	16,438
Revaluation inc. / (decr.) to (Rev. Reserve)	11,698	(4,056)	-	-	-	-	31	7,673
Revaluation inc / (decrease) to Surplus / Deficit on the Prov. of Services	-	(1,744)	-	-	-	-	-	(1,744)
Derecognition - Disposals	(217)	(660)	-	-	-	-	(12)	(889)
Reclassifications & Transfers	22	-	-	(4)	-	(1,354)	(22)	(1,358)
Reclassified to Held for Sale Assets	-	(1,563)	-	-	-	-	(71)	(1,634)
<b>Balance as at 31 March 2015</b>	<b>118,255</b>	<b>181,987</b>	<b>70,265</b>	<b>9,584</b>	<b>9</b>	<b>472</b>	<b>1,189</b>	<b>381,761</b>
<b>Depreciation and Impairment</b>								
At 1 April 2014	14,441	15,127	13,012	4,972	-	-	87	47,639
Adjustment between cost/ depreciation	-	-	-	-	-	-	-	-
Depreciation Charge	2,745	4,619	2,888	986	-	-	28	11,266
Depreciation written out to Revaluation Reserve.	(17,160)	(13,419)	-	-	-	-	-	(30,579)
Depreciation written out to Surplus or Deficit on the Provision of Services.	-	(248)	-	-	-	-	-	(248)
Impairment losses/referrals to Surplus or Deficit on the Provision of Services	5,519	4,210	-	4	-	-	-	9,733
Derecognition – Disposals	(28)	(56)	-	-	-	-	-	(84)
Reclassifications & Transfers	3	-	-	-	-	-	(3)	-
Reclassifications to held for Sale Assets	-	(43)	-	-	-	-	-	(43)
<b>Balance as at 31 March 2015</b>	<b>5,520</b>	<b>10,190</b>	<b>15,900</b>	<b>5,962</b>	<b>-</b>	<b>-</b>	<b>112</b>	<b>37,684</b>
<b>Net Book Value</b>								
<b>Balance as at 31 March 2015</b>	<b>112,735</b>	<b>171,797</b>	<b>54,365</b>	<b>3,622</b>	<b>9</b>	<b>472</b>	<b>1,077</b>	<b>344,077</b>
<b>Balance as at 31 March 2014</b>	<b>86,792</b>	<b>170,600</b>	<b>52,766</b>	<b>4,283</b>	<b>9</b>	<b>10</b>	<b>1,176</b>	<b>315,636</b>

2013/14

	Property, Plant and Equipment							
	Council Dwellings	Land and Buildings	Infra-structure Assets	Vehicles, Plant and Equipment	Community Assets	PPE Under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>								
At 1 April 2013	98,494	161,375	62,113	7,834	9	4,562	2,359	336,746
Additions (Note 20)	2,969	2,779	3,621	1,437	-	6,717	-	17,523
Revaluation inc. / (decr.) to (Rev. Reserve)	-	11,765	44	-	-	-	-	11,809
Revaluation inc / (decrease) to Surplus / Deficit on the Prov. of Services	-	(1,921)	-	-	-	-	-	(1,921)
Derecognition - Disposals	(230)	(206)	-	(16)	-	-	(117)	(569)
Reclassifications & Transfers	-	12,063	-	-	-	(11,269)	-	794
Reclassified to Held for Sale Assets	-	(128)	-	-	-	-	(979)	(1,107)
<b>Balance as at 31 March 2014</b>	<b>101,233</b>	<b>185,727</b>	<b>65,778</b>	<b>9,255</b>	<b>9</b>	<b>10</b>	<b>1,263</b>	<b>363,275</b>
<b>Depreciation and Impairment</b>								
At 1 April 2013	8,937	9,129	10,748	4,271	-	-	124	33,209
Adjustment between cost/ depreciation	-	-	(2)	(2)	-	-	-	(4)
Depreciation Charge	2,565	5,011	2,290	719	-	-	59	10,644
Depreciation written out to Revaluation Reserve.	-	(683)	(24)	-	-	-	-	(707)
Depreciation written out to Surplus or Deficit on the Provision of Services.	-	(544)	-	-	-	-	-	(544)
Impairment losses/referrals to Surplus or Deficit on the Provision of Services	2,969	2,253	-	-	-	-	-	5,222
Derecognition – Disposals	(30)	(24)	-	(16)	-	-	(30)	(100)
Reclassifications to held for Sale Assets	-	(15)	-	-	-	-	(66)	(81)
<b>Balance as at 31 March 2014</b>	<b>14,441</b>	<b>15,127</b>	<b>13,012</b>	<b>4,972</b>	<b>-</b>	<b>-</b>	<b>87</b>	<b>47,639</b>
<b>Net Book Value</b>								
<b>Balance as at 31 March 2014</b>	<b>86,792</b>	<b>170,600</b>	<b>52,766</b>	<b>4,283</b>	<b>9</b>	<b>10</b>	<b>1,176</b>	<b>315,636</b>
<b>Balance as at 31 March 2013</b>	<b>89,557</b>	<b>152,246</b>	<b>51,365</b>	<b>3,563</b>	<b>9</b>	<b>4,562</b>	<b>2,235</b>	<b>303,537</b>

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Details of depreciation and revaluation methodologies are shown in the Accounting Policies Number 7.

## Revaluations

The Council has £354.8m recognised as Assets on its Balance Sheet as at 31 March 2015. The Council has now adopted a 5-year rolling programme for the valuation of its land and property. The programme is constructed in such a way as to ensure that entire classes of assets within its land and property portfolio (e.g. primary schools, small holdings, car parks) are revalued in a single year. The valuations are undertaken by the Council's in-house valuation team who are members of the Royal Institute of Chartered Surveyors (RICS). Non-property assets have not been revalued as the Council has judged that the carrying value of these assets is approximate to fair value, given their relatively short useful economic lives and the relative value of these assets.

All land and property assets of the Council were, however, valued as at 31 March 2011, prior to the implementation of the on-going 5-year rolling programme.

## NOTE 16 - SIGNIFICANT CAPITAL COMMITMENTS

At 31 March 2015, the Council had one significant construction contract in progress giving rise to a capital commitment for financial year 2015/16 as follows (2014/15: £2m):

Contract	Commitment £'000
Planned Refurbishment Works	1,232
<b>Total</b>	<b>1,232</b>

## NOTE 17 – HERITAGE ASSETS 2014/15

	Art Collection and Civic Regalia £'000	Heritage Land & Buildings £'000	Total Heritage Assets £'000
<b>Cost or Valuation</b>			
<b>At 1 April 2014</b>	1,840	1,644	3,484
Additions	-	-	-
Disposal	(45)	-	(45)
Revaluation to Revaluation Reserve	64	-	64
Reclassification from Investment Property	(64)	-	(64)
<b>At 31 March 2015</b>	<b>1,795</b>	<b>1,644</b>	<b>3,439</b>
<b>Accumulated Depreciation and Impairment</b>			
<b>At 1 April 2014</b>	-	171	171
Depreciation Charge	-	56	56
<b>At 31 March 2015</b>	<b>-</b>	<b>227</b>	<b>227</b>
<b>Net Book Value</b>			
<b>At 31 March 2015</b>	<b>1,795</b>	<b>1,417</b>	<b>3,212</b>
<b>At 31 March 2014</b>	<b>1,840</b>	<b>1,473</b>	<b>3,313</b>

2013/14

	Art Collection Oriol Ynys Môn £'000	Heritage Land & Buildings £'000	Total Heritage Assets £'000
<b>Cost or Valuation</b>			
At 1 April 2013	1,776	1,644	3,420
Additions	64	-	64
At 31 March 2014	1,840	1,644	3,484
<b>Accumulated Depreciation and Impairment</b>			
At 1 April 2013	-	114	114
Depreciation Charge	-	57	57
At 31 March 2014	-	171	171
<b>Net Book Value</b>			
At 31 March 2014	1,840	1,473	3,313
At 31 March 2013	1,776	1,530	3,306

### Revaluation of Heritage Assets

A number of Land & Buildings assets have been identified as meeting the definition of Heritage Assets. At 31 March 2015, there were four such assets (unchanged from 31 March 2014):-

Beaumaris Gaol  
Beaumaris Courthouse  
Melin Llynonn Mill  
Pilot Cottages, Ynys Llanddwyn

Revaluation of these assets follows the Council's standard revaluation procedures for land and property. The last revaluation for these properties was carried out as at 1 April 2011.

A valuation for the Art Collections was obtained during 2012/13 and the resulting value was reflected in the 2012/13 Accounts. The last valuation is based on a representative sample of the collections. The valuation was carried out by Bonhams of London, a firm of international art auctioneers and valuers.

The Anglesey Art Gallery and museum have had donated a collection of more than 30 paintings by the late Harry Hughes Williams, a painter of the North Wales landscape. The assets are held in trust and have not been included on the balance sheet because the cost of obtaining a valuation would not be commensurate with benefits to the users of the financial statements.

### Five-Year Summary of Transactions

There have been no transactions in respect of heritage assets during the current or previous four accounting periods that require disclosure other than amounts disclosed in the tables that precede this note.

## NOTE 18 – INVESTMENT PROPERTIES

	2014/15	2013/14
	£'000	£'000
<b>Balance at start of the year</b>	7,139	7,991
Additions:		
- Subsequent expenditure	-	-
Disposals	(107)	(51)
Net losses from fair value adjustments	(1,254)	(6)
Transfers:		
-(to)/from Property, Plant and Equipment	1,367	(795)
<b>Balance at end of the year</b>	<b>7,145</b>	<b>7,139</b>

There are no investment properties held under an Operating or Finance Lease. There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or carry out repairs, maintenance or enhancement to existing investment properties.

## NOTE 19 – INTANGIBLE ASSETS

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment.

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £71k charged to revenue in 2014/15 was charged to the IT Administration cost centre and then absorbed as an overhead across all the service headings in the Net Expenditure of Services.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The useful lives assigned to the major software suites used by the Council are five years.

### The Movement in Intangible Assets for the Year is as Follows:-

	2014/15	2013/14
	£'000	£'000
<b>Balance at start of year:</b>		
Gross carrying amounts	1,068	868
Accumulated amortisation	(689)	(655)
<b>Net carrying amount at start of year</b>	<b>379</b>	<b>213</b>
Additions	24	200
Amortisation for the financial year	(71)	(34)
<b>Net carrying amount at end of year</b>	<b>332</b>	<b>379</b>
Comprising:		
Gross carrying amounts	1,092	1,068
Accumulated amortisation	(760)	(689)
<b>Net carrying amount at end of year</b>	<b>332</b>	<b>379</b>



## NOTE 20 - CAPITAL EXPENDITURE AND FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically that has yet to be financed.

The net movement in the Capital Financing Requirement illustrates the change in the underlying need for the Council to borrow during the year to fund capital investment which has not been funded immediately from resources such as grants, capital receipts and direct funding from revenue.

	2014/15 £'000	2013/14 £'000
<b>Opening Capital Financing Requirement</b>	<b>108,825</b>	<b>106,408</b>
<b>Capital Invested in Year</b>		
Property, Plant and Equipment	16,437	17,523
Intangible Assets	24	200
Revenue Expenditure Funded from Capital Under Statute	4,826	5,017
<b>Total</b>	<b>21,287</b>	<b>22,740</b>
<b>Source of Finance</b>		
Capital Receipts and Reserves	(2,427)	(928)
Government Grants and Contributions	(8,368)	(11,235)
Revenue Provisions	(2,863)	(1,668)
REFCUS Grants	(2,964)	(1,932)
Minimum Revenue Provision and Set Aside	(4,914)	(4,560)
<b>Total</b>	<b>(21,536)</b>	<b>(20,323)</b>
<b>Net Increase/(Decrease) in Capital Financing Requirement</b>	<b>(249)</b>	<b>2,417</b>
<b>Closing Capital Financing Requirement</b>	<b>108,576</b>	<b>108,825</b>
<b>Explanation of movement in year</b>		
Increase in underlying need to borrow supported by Government assistance	2,399	992
Increase in underlying need to borrow unsupported by Government assistance	2,266	5,985
Minimum Revenue Provision and Voluntary Set Aside	(4,914)	(4,560)
<b>Net Increase/(Decrease) in Capital Financing Requirement</b>	<b>(249)</b>	<b>2,417</b>

## NOTE 21 – ASSETS HELD FOR SALE

	Current		Non-Current	
	31-Mar-15 £'000	31-Mar-14 £'000	31-Mar-15 £'000	31-Mar-14 £'000
<b>Balance outstanding at start of year</b>	1,011	196	-	-
<b>Assets newly classified as held for sale:</b>				
Transferred from Property, Plant & Equipment during the year	1,578	1,026	-	-
Cost of Assets Sold	(388)	(211)	-	-
Revaluation	(64)		-	-
<b>Balance outstanding at year-end</b>	<b>2,137</b>	<b>1,011</b>	<b>-</b>	<b>-</b>

## NOTE 22 – LEASES

### Operating Leases

The Council has leased 9 properties at 31 March 2015 for its homelessness function (32 properties at 31 March 2014) and the lease rentals for the year totalled £0.077m (£0.261m 2013/14). These properties have break clauses at twelve months. The reduction is due to a deliberate policy to return empty leased properties to their owners rather than pay rental on an empty property during the year.

The Council also holds certain items of plant and equipment under operating leases or rental agreements within schools and other Council departments. The charge to revenue for these items is £0.170m in 2014/15 (£0.189m 2013/14).

## NOTE 23 – INVENTORIES

In undertaking its work, the Council holds reserves of inventories together with amounts of uncompleted work (work in progress). The figure shown in the Balance Sheet may be subdivided as follows:-

	31-Mar-15	31-Mar-14
	£'000	£'000
Work In Progress	108	84
Central Stores – Building Maintenance Unit	157	133
Gofal Môn - Social Services supplies	112	87
Other – Stationery and other consumables, fuel and goods held for resale	189	143
<b>Total</b>	<b>566</b>	<b>447</b>

## NOTE 24 - DEBTORS

	Long Term Debtors		Short Term Debtors	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	£'000	£'000	£'000	£'000
Government Departments			8,817	9,868
NNDR and Council Tax			4,252	4,539
Other Local Authorities			1,287	2,150
Rents			334	535
Public Corporations and Trading funds			2	22
Employee Car Loans	235	269	271	178
Health Service /Public Bodies			878	1,553
Vat			2,150	1,382
Prepayments			407	575
Trusts			286	-
Trade Debtors	97	97	875	1,311
Bodies external to Central Government			125	-
Other	98	94	1,470	2,588
<b>Total</b>	<b>430</b>	<b>460</b>	<b>21,154</b>	<b>24,701</b>

The above debtors' figures are net of bad debt provisions totalling £5,442m in 2014/15 (£5.602m 2013/14), which can be analysed as follows:-

	31-Mar-15	31-Mar-14	Movement in
	£'000	£'000	Year
Council Tax	2,036	1,328	708
NNDR	614	708	(94)
Rents	1,492	428	1,064
Trade Debtors	1,300	3,138	(1,838)
<b>Total</b>	<b>5,442</b>	<b>5,602</b>	<b>(160)</b>

#### NOTE 25 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows can be reconciled to the related items in the Balance Sheet as follows:-

	31-Mar-15	31-Mar-14
	£'000	£'000
Cash and Bank balances	13,208	11,498
Bank Overdraft	(803)	(5,039)
<b>Total</b>	<b>12,405</b>	<b>6,459</b>

Note, bank overdrafts are shown separately from cash and cash equivalents where they are not an integral part of a Council's cash management.

#### NOTE 26 – CREDITORS

	Long Term Creditors		Short Term Creditors	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	£'000	£'000	£'000	£'000
Government Departments	-	-	2,177	4,174
Other Authorities	-	-	1,950	256
Public corporations and trading funds	-	-	3	148
Bodies External to Central Government	-	-	1,710	124
Trust Balances	-	-	826	877
Health service/Public Bodies	-	-	115	-
Accumulated Absences	-	-	1,274	1,257
Receipts in advance	-	-	958	1,398
Trade creditors	-	-	1,396	638
Other	55	59	5,835	10,523
<b>Total Creditors</b>	<b>55</b>	<b>59</b>	<b>16,244</b>	<b>19,395</b>

## NOTE 27 - PROVISIONS

	Balance at 01-Apr-13	Increase in Provisions during year	Utilised during year	Balance at 31-Mar-14	Increase in Provisions during year	Utilised during year	Balance at 31-Mar-15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Insurance Claims Provision	456	374	(229)	601	363	(743)	221
Penhesgyn Waste Site	2,669	-	-	2,669	-	(100)	2,569
Termination Benefits	243	-	(102)	141	24	(142)	23
MMI Scheme of Arrangement	40	-	(40)	-	-	-	-
Job Evaluation	-	-	-	-	2,900	-	2,900
Other	4,190	1,438	(3,731)	1,897	1,122	(3)	3,016
<b>Total</b>	<b>7,598</b>	<b>1,812</b>	<b>(4,102)</b>	<b>5,308</b>	<b>4,409</b>	<b>(988)</b>	<b>8,729</b>
<b>Short Term Provisions</b>	<b>4,184</b>	<b>1,812</b>	<b>(3,383)</b>	<b>2,613</b>	<b>4,409</b>	<b>(862)</b>	<b>6,160</b>
<b>Long Term Provisions</b>	<b>3,414</b>	<b>-</b>	<b>(719)</b>	<b>2,695</b>	<b>-</b>	<b>(126)</b>	<b>2,569</b>
<b>Total</b>	<b>7,598</b>	<b>1,812</b>	<b>(4,102)</b>	<b>5,308</b>	<b>4,409</b>	<b>(988)</b>	<b>8,729</b>

### Purpose of Main Provisions

#### Insurance Claims Provision

The Council's external insurance policies have excess deductible amounts which mean that the first part of any loss or claim under these policies is self-insured and protected by means of a stop-loss. The Council's general and education properties are not externally insured against the following perils: escape of water from any tank or pipe, flood, impact, theft, accidental damage, subsidence, ground heave, landslip. With the exception of theft and accidental damage, losses resulting from these perils are normally funded from the insurance reserve. The balance on the insurance provision is the expected liability for the self-insured element of known claims, which had not been settled at year-end.

#### Penhesgyn Waste Site

The provision is for the aftercare of the areas of the site formerly used for landfill. There is no defined timescale for this work to be completed although for management purposes a time span of 30 years from site closure is deemed acceptable.

#### Termination Benefits

The provision is to meet known future liabilities arising from staff reductions following the restructure of Council departments. Benefits are currently being paid either in the year in which the termination is agreed or by payments in instalments to Gwynedd Pension Fund.

#### Job Evaluation

The provision is to allow for back pay awarded as a result of a Council wide review of employee terms and conditions.

**Other** – This is a grouping of a number of on-going legal claims against the Council for which provisions have been made.

## NOTE 28 – CASH FLOW FROM OPERATING ACTIVITIES

	2014/15	2013/14
	£'000	£'000
<b>Adjustment to surplus or deficit on the Provision of Services for non cash movements</b>		
Depreciation and Impairment	21181	15,923
Downward revaluations and non-sale de-recognitions	1540	1,377
Amortisation	71	35
(Increase)/ Decrease in Inventories	-119	98
(Increase)/ Decrease in Debtors	3547	(102)
Increase/(Decrease) in impairments for Bad Debts	-160	1,199
Increase / (Decrease) in Creditors	-3151	1,183
Transactions within the CIES relating to retirement benefits	3152	5,101
Carrying amount of non-current assets sold	1300	731
Contributions to Provisions	3421	(2,290)
Movement in value of investment properties- Impairment and downward revaluations (and non-sale derecognitions)	1199	6
	<b>31981</b>	<b>23,261</b>
<b>Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities</b>		
Proceeds from the sale of Property, Plant and Equipment, investment property and assets held for sale	(2,670)	(1,055)
Capital grants included in "Taxation and non-specific grant income"	(8,368)	(11,235)
<b>Total</b>	<b>(11,038)</b>	<b>(12,290)</b>

## NOTE 29 – CASH FLOW FROM INVESTING ACTIVITIES

	2014/15	2013/14
	£'000	£'000
Purchase of Property, Plant and Equipment, Heritage Assets, Investment Properties and Intangible Assets	(16,462)	(17,787)
Short Term Investments (not considered to be cash equivalents)	-	10,101
Proceeds from the sale of property, plant and equipment, investment property and assets held for sale	2,670	1,055
Capital Grants and Contributions Received	8,368	11,235
<b>Net Cash flows from Investing Activities</b>	<b>(5,424)</b>	<b>4,604</b>

## NOTE 30 – CASH FLOW FROM FINANCING ACTIVITIES

	2014/15	2013/14
	£'000	£'000
Cash Receipts from Short and Long Term Borrowing	-	(27)
Other Payments	267	(6,507)
<b>Net Cash flows from Financing Activities</b>	<b>267</b>	<b>(6,534)</b>

**Cash flow from operating activities include the following amounts relating to Interest:-**

	2014/15	2013/14
	£'000	£'000
Interest Received	(91)	(215)
Interest Paid	5,117	5,533

**NOTE 31 – AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS**

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the Service Reporting Code of Practice. However, decisions about resource allocation are taken by the Council on the basis of budget reports analysed across departments. These reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:-

- no charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the Revaluation Reserve and amortisations are charged to services in the Comprehensive Income and Expenditure Statement);
- the cost of retirement benefits is based on cash flows (payment of employer's pensions contributions) rather than current service cost of benefits accrued in the year;
- expenditure on some support services is budgeted for centrally and not charged to Departments.

This reconciliation shows how the figures in the analysis of departmental income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement and shows how the figures in the analysis of departmental income and expenditure relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement.

## Amounts Reported For Resource Allocation Decisions

### 2014/15 – Directorate Analysis

	Education & Lifelong Learning	Community Services	Sustainable Development	Deputy Chief Executive	Corporate and Democratic Core	Housing Revenue Account	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees, Charges and Other Service Income	(13,354)	(11,113)	(15,758)	(10,686)	-	(22,627)	<b>(73,538)</b>
Government Grants	(8,917)	(5,020)	(5,103)	(18,975)	-	-	<b>(38,015)</b>
<b>Total Income</b>	<b>(22,271)</b>	<b>(16,133)</b>	<b>(20,861)</b>	<b>(29,661)</b>	<b>-</b>	<b>(22,627)</b>	<b>(111,553)</b>
Employee expenses	46,564	15,128	13,089	8,629	224	2,212	<b>85,846</b>
Other Service Expenditure	24,524	29,228	31,983	23,812	3,230	13,436	<b>126,213</b>
Support Service Expenditure	838	2,625	(3,932)	4,710	-	(2,638)	<b>1,603</b>
<b>Total Expenditure</b>	<b>71,926</b>	<b>46,981</b>	<b>41,140</b>	<b>37,151</b>	<b>3,454</b>	<b>13,010</b>	<b>213,662</b>
<b>Net Expenditure</b>	<b>49,655</b>	<b>30,848</b>	<b>20,279</b>	<b>7,490</b>	<b>3,454</b>	<b>(9,617)</b>	<b>102,109</b>

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### 2013/14 – Directorate Analysis

	Education & Lifelong Learning	Community Services	Sustainable Development	Deputy Chief Executive	Corporate and Democratic Core	Housing Revenue Account	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees, Charges and Other Service Income	(10,698)	(13,224)	(9,828)	(1,846)	-	(22,602)	<b>(58,198)</b>
Government Grants	(9,140)	(6,080)	(6,930)	(19,883)	-	-	<b>(42,033)</b>
<b>Total Income</b>	<b>(19,838)</b>	<b>(19,304)</b>	<b>(16,758)</b>	<b>(21,729)</b>	<b>-</b>	<b>(22,602)</b>	<b>(100,231)</b>
Employee expenses	46,208	19,625	11,437	6,622	-	2,398	<b>86,290</b>
Other Service Expenditure	21,241	33,554	25,476	19,740	7,942	12,017	<b>119,970</b>
Support Service Expenditure	1,137	1,456	815	1	-	1,197	<b>4,606</b>
<b>Total Expenditure</b>	<b>68,586</b>	<b>54,635</b>	<b>37,728</b>	<b>26,363</b>	<b>7,942</b>	<b>15,612</b>	<b>210,866</b>
<b>Net Expenditure</b>	<b>48,748</b>	<b>35,331</b>	<b>20,970</b>	<b>4,634</b>	<b>7,942</b>	<b>(6,990)</b>	<b>110,635</b>

## Reconciliation of the Directorate Analysis to the amounts in the Comprehensive Income and Expenditure Statement

This reconciliation shows how the figures in the analysis of directorate income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement.

	2014/15	2013/14
	£'000	£'000
<b>Net expenditure in the Directorate analysis</b>	102,109	110,635
Net expenditure of services and support services not included in the analysis	29,034	21,514
Amounts in the Comprehensive Income and Expenditure Statement not reported to management in	2,944	1,605
Amounts included in the Analysis not included in the Comprehensive Income and Expenditure	(6,968)	(5,386)
<b>Net Expenditure in the Comprehensive Income and Expenditure Statement</b>	<b>127,119</b>	<b>128,368</b>



## Reconciliation of the Directorate Analysis to the Deficit on the provision of services within the Comprehensive Income and Expenditure Account

This reconciliation shows how the figures in the analysis of directorate income and expenditure relate to a subjective analysis of the Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement.

2014/15

	Directorate Analysis	Services and Support Services not in Analysis	Amounts not reported to management for decision making	Allocation of recharge	Amounts not included in CIES	Cost of Services	Corporate Amounts	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees, charges & other service income	(73,538)	-	10,506	34,176	-	(28,856)	-	(28,856)
Interest and investment income	-	-	-	-	-	-	(91)	(91)
Income from council tax	-	-	-	-	-	-	(31,901)	(31,901)
Government grants and contributions	(38,015)	319	(10,506)	-	-	(48,202)	(105,839)	(154,041)
<b>Total Income</b>	<b>(111,553)</b>	<b>319</b>	<b>-</b>	<b>34,176</b>	<b>-</b>	<b>(77,058)</b>	<b>(137,831)</b>	<b>(214,889)</b>
Employee expenses	85,846	-	2,944	-	-	88,790	-	88,790
Other service expenses	126,213	7,534	-	(11,392)	(6,968)	115,387	5,576	120,963
Support Service recharges	1,603	-	-	(22,784)	-	(21,181)	-	(21,181)
Depreciation, amortisation and impairment and other capital charges	-	21,181	-	-	-	21,181	149	21,330
Interest Payments	-	-	-	-	-	-	5,117	5,117
Precepts & Levies	-	-	-	-	-	-	11,045	11,045
Gain or Loss on Disposal of Fixed Assets	-	-	-	-	-	-	(1,335)	(1,335)
<b>Total expenditure</b>	<b>213,662</b>	<b>28,715</b>	<b>2,944</b>	<b>(34,176)</b>	<b>(6,968)</b>	<b>204,177</b>	<b>20,552</b>	<b>224,729</b>
<b>Surplus or deficit on the provision of services</b>	<b>102,109</b>	<b>29,034</b>	<b>2,944</b>	<b>-</b>	<b>(6,968)</b>	<b>127,119</b>	<b>(117,279)</b>	<b>9,840</b>

2013/14

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	Directorate Analysis	Services and Support Services not in Analysis	Amounts not reported to management for decision making	Allocation of recharge	Amounts not included in CIES	Cost of Services	Corporate Amounts	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees, charges & other service income	(58,198)	-	9,802	33,240	-	(15,156)	-	(15,156)
Interest and investment income	-	-	-	-	-	-	(201)	(201)
Income from council tax	-	-	-	-	-	-	(29,984)	(29,984)
Government grants and contributions	(42,033)	(261)	(9,802)	-	-	(52,096)	(112,467)	(164,563)
<b>Total Income</b>	<b>(100,231)</b>	<b>(261)</b>	<b>-</b>	<b>33,240</b>	<b>-</b>	<b>(67,252)</b>	<b>(142,652)</b>	<b>(209,904)</b>
Employee expenses	86,290	-	1,605	-	-	87,895	-	87,895
Other service expenses	119,970	5,833	-	(28,634)	(5,386)	91,783	3,665	95,448
Support Service recharges	4,606	-	-	(4,606)	-	-	-	-
Depreciation, amortisation and impairment and other capital charges	-	15,942	-	-	-	15,942	(185)	15,757
Interest Payments	-	-	-	-	-	-	5,274	5,274
Precepts & Levies	-	-	-	-	-	-	10,782	10,782
Gain or Loss on Disposal of Fixed Assets	-	-	-	-	-	-	(366)	(366)
<b>Total expenditure</b>	<b>210,866</b>	<b>21,775</b>	<b>1,605</b>	<b>(33,240)</b>	<b>(5,386)</b>	<b>195,620</b>	<b>19,170</b>	<b>214,790</b>
<b>Surplus or deficit on the provision of services</b>	<b>110,635</b>	<b>21,514</b>	<b>1,605</b>	<b>-</b>	<b>(5,386)</b>	<b>128,368</b>	<b>(123,482)</b>	<b>4,886</b>

## NOTE 32 – TRADING OPERATIONS

The Council has no Trading Operations.

## NOTE 33 - MEMBERS' ALLOWANCES

A total of £0.683m (£0.681m in 2013/14) was paid in respect of allowances to Council Members during the year as follows:

	2014/15 £'000	2013/14 £'000
Basic and Special responsibility allowances	555	557
Chairman and Deputy Chairman's Allowance	6	8
Pension Costs	55	62
National Insurance Costs	39	39
Travel Costs	16	12
Miscellaneous	12	3
<b>Total</b>	<b>683</b>	<b>681</b>

## NOTE 34 – OFFICERS' REMUNERATION

The number of employees, whose actual remuneration paid was more than £60,000 but not more than £150,000 in 2014/15, excluding pension contributions but including severance pay is as follows:-

Officer Remuneration	Including Severance Pay 2014/15 Number of Employees	Including Severance Pay 2013/14 Number of Employees	Excluding Severance Pay 2014/15 Number of Employees	Excluding Severance Pay 2013/14 Number of Employees
	£60,000 to £65,000	6	5	5
£65,001 to £70,000	3	2	3	2
£70,001 to £75,000	3	1	3	1
£75,001 to £80,000	1	1	1	1
£80,001 to £85,000	1	1	1	1
<b>Total</b>	<b>14</b>	<b>10</b>	<b>13</b>	<b>10</b>

This table excludes reference to the senior staff included in table below.

The following table provides details of remuneration paid to senior employees who are employed on a permanent basis and whose annual salaries and other benefits exceed £60,000 per annum. Senior employees whose remuneration exceeds £150,000 per annum are also named individually to comply with statutory requirements.

**2014/15**

Senior Officer Remuneration	Salary, Fees and Allowances £'000	Expenses and Allowances £'000	Compensation for loss of Office £'000	Pension Contribution £'000	Total £'000
Chief Executive (Richard Parry Jones) *	144	1	-	26	171
Deputy Chief Executive	114	-	-	21	135
Director (Lifelong Learning)	99	2	-	18	119
Director (Sustainable Development)	99	1	-	18	118
Head of Function (Resources) (Left 16th July 2014)	23	-	19	4	46
Director (Community)	99	1	-	18	118
Head Of Function – Legal & Administration	72	-	-	14	86
Head of Human Resources	63	1	-	12	76
Head of Service (Housing)	64	1	-	12	77
<b>Total</b>	<b>777</b>	<b>7</b>	<b>19</b>	<b>143</b>	<b>946</b>

\* Note: Within the Chief Executive's salaries, fees and allowances a Returning Officer payment of £2,840 is included.

**Comparative figures for 2013/14 are shown in the following table**

Senior Officer Remuneration	Salary, Fees and Allowances £'000	Expenses and Allowances £'000	Compensation for loss of Office £'000	Pension Contribution £'000	Total £'000
Chief Executive (Richard Parry Jones) **	153	2	-	32	187
Deputy Chief Executive	114	-	-	26	140
Director (Lifelong Learning)	99	2	-	22	123
Director (Sustainable Development)	99	1	-	22	122
Head of Function (Resources)	80	1	-	18	99
Director (Community)	99	-	-	22	121
Head Of Function – Legal & Administration	72	1	-	16	89
Head of Human Resources	61	-	-	14	75
Head of Service (Housing)	60	1	-	14	75
<b>Total</b>	<b>837</b>	<b>8</b>	<b>-</b>	<b>186</b>	<b>1,031</b>

\*\* Note: Within the Chief Executive's salaries, fees and allowances payment a Returning Officer payment of £12,000 is included.

The remuneration ratio of the Chief Executive to the median remuneration of all employees is 7.6 :1.

## NOTE 35 - TERMINATION PAYMENTS

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:-

Exit package cost band (including special payments)	Number of Compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
							£'000	£'000
£0 - £20,000	9	23	12	3	21	26	142	172
£20,001 - £40,000	-	-	9	1	9	1	232	23
£40,001 - £60,000	-	1	2	-	2	1	94	45
£80,001 - £100,000	-	-	-	1	-	1	-	90
<b>Total</b>	<b>9</b>	<b>24</b>	<b>23</b>	<b>5</b>	<b>32</b>	<b>29</b>	<b>468</b>	<b>330</b>

This amount is included in the total cost of £0.589m charged to the Comprehensive Income and expenditure account for 2014/15. The difference is the cost of a further 4 employees leaving during 2015/16.

## NOTE 36 – EXTERNAL AUDIT FEES

The Council has incurred the following costs relating to external audit and inspection:-

	2014/15 £'000	2013/14 £'000
Fees payable to Wales Audit Office with regard to external audit services carried out by the appointed auditor for the year	193	193
Fees payable to Wales Audit Office with regard to external audit services carried out by the appointed auditor for prior years	18	-
Fees payable to the Wales Audit Office in respect of statutory inspections	130	169
Fees payable to PricewaterhouseCoopers LLP for the certification of grant claims and returns for the year	119	145
Fees payable to Wales Audit Office in respect of other services	7	-
Fees payable to PricewaterhouseCoopers LLP for other work as appointed auditor	4	8
<b>Total</b>	<b>471</b>	<b>515</b>

## NOTE 37 – GRANTS INCOME

The Council Credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2014/15:-

	Note	2014/15 £'000	2013/14 £'000
<b>Credited to Taxation and Non Specific Grant Income</b>			
Council Tax Reduction Scheme Grant	14	5,237	5,166
Revenue Support Grant (Non-ring-fenced Government Grants)	14	68,827	73,036
Capital Grants and Contributions (Capital Grants and Contributions)	14	5,718	8,373
Grant - Major Repairs Allowance (Capital Grants and Contributions)	14	2,650	2,600
Other (Non-ringfenced Government Grants)	14	720	1,268
<b>Total</b>		<b>83,152</b>	<b>90,443</b>
<b>Credited to Services</b>			
<b>Grants:</b>			
Post 16 Grant (Education)		2,711	3,205
Foundation Phase Grants (Education)		2,369	2,385
Concessionary Fares Grant		726	734
Housing Benefit Subsidy		18,186	18,794
Supporting People Grant (SPG & SPRG)		2,887	3,052
Sustainable Waste Management		1,713	1,722
<b>Total</b>		<b>28,591</b>	<b>29,892</b>
<b>Other Grants:</b>			
Central Services		76	121
Cultural and Related Services		454	467
Children and Education Services		4,080	3,614
Highways and Transport Services		1,210	1,190
Other Housing Services		1,172	455
Adult Social Care Grants		480	1,217
Planning and Development		1,297	3,868
Environmental Services		90	412
Corporate and Democratic Core		565	798
<b>Total</b>		<b>9,424</b>	<b>12,142</b>
<b>Contributions:</b>		<b>10,506</b>	<b>9,802</b>
<b>Total</b>		<b>131,673</b>	<b>142,279</b>

## Capital Grants Received in Advance

	2014/15 £'000	2013/14 £'000
<b>Opening balance</b>	288	71
Add: new capital grants received in advance (condition of use not met)	9,135	11,285
Capital Grants repaid	(193)	
Less: amounts released to the Comprehensive Income and Expenditure Account (conditions met)	(8,850)	(11,068)
<b>Closing Balance</b>	<b>380</b>	<b>288</b>

## **NOTE 38 – RELATED PARTIES**

The Council appoints members to certain public, charitable and voluntary bodies. During 2014/15, a total of £4.556m was paid in grants for the purchase of services from these bodies (£4.407m 2013/14). The Council has assessed the materiality of individual transactions arising through related parties and the following disclosures are concerned with transactions between the Council and the related party that have a value in excess of £0.02m:-

The Council is a member of the Welsh Local Government Association, to which subscriptions of £0.079m was paid in 2014/15 (£0.069m 2013/14).

Members have declared interests in contracts, or in organisations, which may have dealings with the Council, in the Statutory Register of Members' Interests. A total of £0.066m was paid by the Council in 2014/15 in relation to these interests (£0.240m 2013/14).

Betsi Cadwalader University Health Board, through common control by central Government, is a related party to the Council. Payments made by the Council for 2014/15 to BCUHB amounted to £1.322m, and no further amounts were owed at year-end. Receipts taken in by the Council from BCUHB came to £2.799m with £0.803m due from our related party at year-end.

There are a number of organisations which are independent from the Council, but have an impact on its service areas. In order that the Council can maintain effective partnerships with a number of these organisations, representatives of the Council, usually elected Councillors, sit on the various committees and forums that are responsible for them. A list of the outside bodies and the Council's representation can be found in Appendix 1.

### **INTERESTS IN COMPANIES**

The Council has a 50% interest in two companies and in each case the other member is Gwynedd Council:-

#### **Cwmni Gwastraff Môn-Arfon Cyf**

Cwmni Gwastraff Môn-Arfon Cyf is a Local Council Waste Disposal Company established jointly by predecessors of the Anglesey and Gwynedd Councils in 1994. The company operated two waste management sites in Anglesey and Gwynedd, which were leased from the Local Authorities. Most of the company's activity related to contracts with the two Local Authorities

Following a change in legislation the two Councils decided to close the company down during 2007/08 and to undertake the work in-house. The relevant operational assets and liabilities and the staff transferred to the Council in 2008 together with a balancing amount in cash. The investment has been re-valued each year and most of the shareholders' funds have been returned to the two Councils. The remaining interest in the company at the 31<sup>st</sup> March 2015 is not material to the accounts of the Council.

#### **Cwmni Cynnal Cyf**

This company was established jointly by Ynys Môn and Gwynedd Councils on local government re-organisation. It provides education support services under contract to maintained schools and to the local education authorities and schools inspection services to Estyn. The income of the company can only be applied towards the promotion of its objectives. The company is limited by guarantee, not having a share capital, and the Council's liability is limited to one pound.

The company accounts for 2013/14 show a net income of £0.072m (£0.286m in 2012/13). The turnover for 2013/14 was £3.429m (£5.766m 2012/13). The company's published accounts show net assets of £0.499m as at 31 March 2014 (net assets £1.395m 2012/13).

Copies of the financial statements are available from Cwmni Cynnal Cyf, Plas Llanwnda, Caernarfon, Gwynedd. The auditor's report on the accounts for the financial year ended 31 March 2014 is not qualified. During 2014/15 financial year, the Council accounted for costs of £1.128m relating to purchase of services from the company.

The Council has interests in the following companies as follows:-

### **Welsh Joint Education Committee - WJEC CBAC Limited**

The Council is a member of WJEC CBAC Limited, a charitable company whose members are the 22 Welsh unitary authorities and whose objectives are to provide examination services and to provide and promote other educational and cultural services. The company is limited by guarantee, not having a share capital, and the Council's liability is limited to £1.

During 2014/15 financial year, the Council accounted for £0.379m (£0.148m 2013/14) for purchase of services from the company.

The Company accounts for 2013/14 (that is to year ending 30 September) show a net positive movement in funds of £4.23m (net positive movement in funds of £3.06m 2012/13). The turnover for 2013/14 was £39.31m (£39.90m 2012/13) and net assets totaled £26.76m as at 30 September 2014 (£22.53m as at 30 September 2013).

Copies of the company's accounts can be obtained from WJEC CBAC Limited, 245 Western Avenue, Llandaff, Cardiff, CF5 2YX. The auditor's report for the financial year ended 30 September 2014 is not qualified.

### **Menter Môn Cyfyngedig**

The Council is a member of Menter Môn Cyf, and was one out of a total of 3 members at 31 March 2015. The company's objectives are to promote economic growth in rural Anglesey. The company is limited by guarantee, not having a share capital, and the Council's liability is limited to one pound.

During 2014/15 financial year, the Council accounted for £0.255m of payments to the company in support of the activities (£1.071m 2013/14).

The company accounts for the financial year ended 31 December 2014 shows net income after tax of £0.003m (net income of £0.223m 2013). The turnover for 2014 was £5.782m (£6.717m 2013) and net assets totaled £0.535m as at 31 December 2014 (£0.631m 2013).

Copies of the company's accounts can be obtained from Menter Môn, Llys Goferydd, Bryn Cefni Industrial Estate, Llangefni, Ynys Môn. The auditor's report on the accounts for the financial year ended 31 December 2014 is not qualified.

### **Caergeiliog Foundation School**

Balances for current assets and liabilities controlled by Caergeiliog Foundation School are included in these accounts, and so the school's reserves, as stated in this balance sheet, represent only the net current assets. The school also has non-current assets that are stated on the school's balance sheet at £0.627m at the 31 March 2015 (£0.667m at 31 March 2014) on a combination of valuation and historical cost, less depreciation. The non-current assets are vested in the school's Governing Body and are not consolidated in this Council's balance sheet.



## NOTE 39 - TRUST FUNDS

The Council acts as trustee for a number of trust funds. Their accounts are available from the Accountancy Section. Besides the legacies left for purposes such as prize funds at schools and comforts and improvements in Social Services establishments, the Council is also responsible for the following Trust funds:

### **The Isle of Anglesey Charitable Trust (Req. No. 1000818)**

The Council is the sole trustee of the Isle of Anglesey Charitable Trust, which was established to administer investments purchased from monies received from Shell U.K. Limited when the company ceased operating an oil terminal on Anglesey. The objectives of the Charitable Trust are to provide amenities and facilities for the general public benefit of persons resident in the Isle of Anglesey. This is achieved by contributing towards spending on public services and by making grants to charitable and voluntary organisations.

In 2014/15 the Council received £0.215m (£0.215m 2013/14) towards the running costs of Oriol Ynys Môn.

### **Welsh Church Fund**

The investments of this fund are currently being administered by Gwynedd Council on behalf of the successor authorities of Gwynedd County Council, although there are plans to transfer them to this Council. The scheme for the administration of the fund provides that the income is to be applied to charitable purposes - educational, recreational and social - at the discretion of the Council.

### **Anglesey Further Education Trust Fund (Req. No. 525254)**

75% of net income from the David Hughes Charity Estate forms part of the Anglesey Further Educational Trust Fund, of which the Council is Trustee. The income is used for specified educational purposes. The other 25% is paid to the "David Hughes Charity for the Poor", which is not administered by the Council.

On 31 March 2015 the balances of these Trust funds (at market value of the assets) are:-

Pre Audited Statement Summary	2014/15	2014/15	2014/15	2014/15
	Income	Expenditure	Assets	Liabilities
	£'000	£'000	£'000	£'000
Isle of Anglesey Charitable Trust (*)	1,962	1,065	20,793	1,033
Welsh Church Fund (**)	135	15	934	12
Anglesey Further Education Trust (***)	119	82	2,160	-

Pre Audited Statement Summary	2013/14	2013/14	2013/14	2013/14
	Income	Expenditure	Assets	Liabilities
	£'000	£'000	£'000	£'000
Isle of Anglesey Charitable Trust (*)	1,176	438	20,816	1,941
Welsh Church Fund (**)	15	19	815	14
Anglesey Further Education Trust (***)	85	160	1,764	-

(\*) 2013/14 figures restated to reflect the final accounts

(\*\*) Council Portion Only

(\*\*\*) Prior year figures subject to Audit

The total value of the other funds including investments at market value is £0.245m as at 31 March 2015 (£0.236m as at 31 March 2014).

## **NOTE 40 – TEACHERS PENSION SCHEME**

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by the Department for Education. The scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The scheme is technically a defined benefit scheme. However, the scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Council is not able to identify its share of underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purpose of this Statement of Accounts, it is, therefore, accounted for on the same basis as a defined contribution scheme.

In 2014/15, the Council paid £3.153m to Teachers' Pensions in respect of teachers' retirement benefits, representing 14.1% of pensionable pay (£2.991m and 14.17% 2013/14). In addition, payments relating to enhancements for early retirement etc. made on a pay-as-you-go basis amounted to £nil (£nil 2013/14). There were no contributions remaining payable at the year-end.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefits basis and detailed in Note 41 below.

## **NOTE 41 – LOCAL GOVERNMENT DEFINED BENEFIT PENSION SCHEME**

### **Retirement Benefits**

#### **Participation in the Local Government Pension Scheme**

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Gwynedd Pension Fund administered by Gwynedd Council. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

#### **a. Transactions Relating to Post –Employment Benefits**

The cost of retirement benefits is recognised in the reported cost of services when the employees earn them rather than when they are eventually paid as pensions. However the charge made against Council Tax is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund through the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance through the Movement in Reserves Statement during the year:-

	2014/15	2013/14
	£'000	£'000
<b>Service cost comprising:</b>		
Current service cost	7,775	9,996
Losses on settlements or curtailments	224	76
<b>Total Service cost</b>	<b>7,999</b>	<b>10,072</b>
<b>Financing and Investment Income and Expenditure</b>		
Interest cost on defined benefit obligation	12,502	12,275
Interest Income on scheme Assets	(8,599)	(8,596)
<b>Total Post employment benefits charged to the Surplus or deficit on Provision of Service</b>	<b>11,902</b>	<b>13,751</b>
Return on Plan Assets (excluding amounts included in net interest expense)	(16,041)	489
Actuarial losses arising on changes in demographic assumptions	-	5,528
Actuarial gain and losses arising on changes in financial assumptions	48,780	-
Other	(1,565)	-
<b>Total re-measurement of net defined benefit liability comprising</b>	<b>31,174</b>	<b>6,017</b>
<b>Total Post employment benefits charged to the Comprehensive Income and Expenditure</b>	<b>43,076</b>	<b>19,768</b>
Reversal of net charges made for retirement benefits in accordance with the code	3,152	5,101
<b>Actual amount charged against the Council Fund balance for pensions in the year:</b>		
Employers' contributions payable to scheme	8,750	8,650
<b>Total Post employment benefits charged to the Surplus or deficit on provision of Services</b>	<b>11,902</b>	<b>13,751</b>

**b. Pension Assets and Liabilities recognised in the Balance Sheet**

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates being based on the latest full valuation of the Scheme as at 31 March 2015.

Amounts included in the Balances sheet arising from the Authority's obligation in respect of its defined benefit plan is as follows:	31-Mar-15	31-Mar-14
	£'000	£'000
Present Value of Scheme Assets	224,961	199,636
Present Value of Scheme Liabilities	(350,438)	(290,788)
<b>Net liability arising from defined obligation</b>	<b>(125,477)</b>	<b>(91,152)</b>

c. Reconciliation of Present Value of the Scheme liabilities

	2014/15	2013/14
	£'000	£'000
<b>Balans ar 1 Ebrill</b>	<b>290,788</b>	<b>270,807</b>
Cost gyfredol y gwasanaeth	7,775	9,996
Cost llog	12,502	12,274
Cyfraniadau gan y sawl sy'n rhan o'r cynllun	2,095	2,058
<b>Ailfesur (elw) a cholledion</b>	<b>47,215</b>	<b>5,529</b>
Colledion actiwaraidd yn codi o eraill	225	76
Ymrwymadau a ddaeth i ben ar adeg setlo		
Amcangyfrif o'r buddiannau a dalwyd nad oeddynt yn cael eu cyllido	(1,054)	(1,042)
Amcangyfrif o'r buddiannau a dalwyd	(9,108)	(8,910)
<b>Balans ar 31 Mawrth</b>	<b>350,438</b>	<b>290,788</b>

Reconciliation of present value of the scheme assets:-

	2014/15	2013/14
	£'000	£'000
<b>Opening Fair Value of Scheme Plan Assets as at 1 April</b>	<b>199,636</b>	<b>190,773</b>
Interest Income	8,601	8,596
Return on planned assets (excl. net interest expense)	16,041	(489)
Contributions by members	2,095	2,058
Contributions by employer	7,696	7,608
Contributions in respect of unfunded benefits	1,054	1,042
Unfunded benefits paid	(1,054)	(1,042)
Benefits paid	(9,108)	(8,910)
<b>Balance as at 31 March</b>	<b>224,961</b>	<b>199,636</b>

## ch) Fair Value of Plan Assets

The Council's Pension Scheme assets comprise:-

### Major categories of plan assets as percentage of total plan assets

The Gwynedd Pension Fund's assets consist of the following categories, by proportion of the total assets held:-

	31-Mar-15	31-Mar-14
Cash and cash equivalents	2%	2%
<b>Equity investment (by industry type)</b>		
Consumer	3%	2%
Energy and utilities	2%	2%
Financial institutions	2%	1%
Health and care	4%	4%
Information technology	3%	3%
Other	5%	5%
<b>Equity investments</b>	4%	5%
<b>Investment Funds and Unit Trust</b>		
Equities	51%	52%
Bonds	14%	15%
Infrastructure	<1%	<1%
<b>Real Estate</b>		
Property	10%	9%
Overseas property	-	<1%
<b>Total</b>	100%	100%

## d. Scheme History

Analysis of scheme assets and liabilities

	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
	£'000	£'000	£'000	£'000	£'000
Fair Value of Assets in pension scheme	224,961	199,636	190,773	167,224	165,562
Present Value of Defined Benefit Obligation	(350,438)	(290,788)	(270,807)	(230,971)	(212,134)
<b>Deficit in the Scheme</b>	<b>(125,477)</b>	<b>(91,152)</b>	<b>(80,034)</b>	<b>(63,747)</b>	<b>(46,572)</b>

The liabilities show the underlying commitments that the Council has in the long run to pay retirement benefits. The present value of defined benefit obligations of £350.4m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, resulting in a net liability of £125.5m.

However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy. The deficit on the Gwynedd Pension Fund will be made good by increased contributions over the remaining working life of employees, assessed by the scheme actuary.

**dd) The Significant Assumptions used by the actuary have been:-**

	2014/15	2013/14
<b>Mortality assumptions:</b>		
<i>Longevity at 65 current pensioners:</i>		
Men	22.0 years	22.0 years
Women	24.0 years	24.0 years
<i>Longevity at 65 for future pensioners:</i>		
Men	24.4 years	24.4 years
Women	26.6 years	26.6 years
Inflation/Pension Increase Rate	2.40%	2.80%
Salary Increase Rate	4.30%	4.60%
Expected Return on Assets	12.30%	4.30%
Rate for discounting scheme liabilities	3.20%	4.30%
<b>Take-up of option to convert annual pension into retirement lump sum:</b>		
Service to April 2008	50.00%	50.00%
Service post April 2008	75.00%	75.00%

**e) Sensitivity Analysis**

The sensitivity analysis is based on reasonably possible changes to the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes, while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit cost method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in previous years. The sensitivities regarding the principle assumptions used to measure the schemes liabilities are set out below:-

Change in assumptions as at 31 March 2015	Approximate % increase to employer	Approximate Monetary Amount £'000
0.5% decrease in real discount rate	11%	38,515
1 year increase in members life expectancy	3%	10,513
0.5% increase in the salary increase rate	4%	14,126
0.5% increase in pension increase rate	7%	23,315

**f) Impact on the Authority's Cash Flows**

The objective of the scheme is to keep employers' contributions at a constant a rate as possible. The Council has a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed 31 March 2016.

The scheme will need to take account of the national changes to the scheme under the Public Pension Services Act 2013.

Under the Act the LGPS in England and Wales and other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or Service after 31 March 2015 for other main existing public service pension schemes in England and Wales) The Act provides for schemes regulation to be made with in a common framework, to establish new career average re-valued earnings schemes to pay pensions and other benefits.

The liabilities show underlying commitments that the council has in the long run to pay post-employment (retirement) benefits. The net liability of £125.477m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy.

The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due) as assessed by the scheme actuary; finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

**ff) Estimated contributions to be paid to Gwynedd Pension Fund in 2015/16**

The Council anticipates paying £7.8m contribution to the scheme in 2015/16. The weighted average duration of the defined benefit obligation for scheme members is 19.4 years.

The amount outstanding to Gwynedd County Council in respect of the LGPS contributions for 2014/15 as at 31 March is £0.808m and is included in the short term creditors' disclosure note.

**NOTE 42 – CONTINGENT LIABILITIES**

**Equal Pay, Single Status and Job Evaluation**

The Council is the subject of a number of equal pay claims from current and former employees. Some of these claims may be settled but the final amount payable is uncertain because of possible variations in settlement amounts for current claims and because of the possibility that some further claims may yet be lodged.

**Section 117 Mental Health Act 1983**

Following judgements confirmed at the House of Lords and a report by the Local Government Ombudsman on test cases elsewhere, there was no power to charge for services provided under Section 117 of the Mental Health Act 1983 and the Council is liable to repay any such charges. Whilst a number of cases have been settled, the total potential liability is difficult to quantify. Whilst there is a sum set aside in an earmarked reserve for such repayments, it is unclear at this stage as to total liability.

**Beaumaris Pier**

Negotiations are ongoing regarding the value of the renovation works carried out by Bam Nuttall Ltd in order to agree a final settlement amount.

## NOTE 43 – CONTINGENT ASSETS

The Council retains a number of legal charges over privately owned residential properties, where it provided support to the buyers under schemes for assisted home purchase, with the Council being entitled to a share of proceeds on the sale of the properties. At 31 March 2015 there were 109 such properties and it was estimated that the maximum amount that might potentially be received was approximately £1.18m . However, the actual amount that will be received will vary, dependent upon both the selling prices of individual properties and the nature of any other legal charges against them which may take precedence over the Council's. The timing of any receipts is dependent upon the occurrence of sales.

## NOTE 44 – FINANCIAL INSTRUMENTS

The following categories of financial instruments are carried in the Balance Sheet:-

	Long Term		Current	
	31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014
	£'000	£'000	£'000	£'000
<b>Investments</b>				
Loans and receivables	-	-	-	-
<b>Cash balances</b>				
Bank deposits	-	-	13,208	11,498
<b>Total cash and investments</b>	<b>-</b>	<b>-</b>	<b>13,208</b>	<b>11,498</b>
<b>Debtors</b>				
Loans and Receivables	430	460	5,082	8,337
<b>Total Debtors</b>	<b>430</b>	<b>460</b>	<b>5,082</b>	<b>8,337</b>
<b>Borrowings</b>				
Financial Liabilities at Amortised Cost	89,575	89,583	1,725	6,850
<b>Total Borrowings</b>	<b>89,575</b>	<b>89,583</b>	<b>1,725</b>	<b>6,850</b>
<b>Creditors</b>				
Financial Liabilities at Amortised Cost	-	-	10,289	12,567
<b>Total Creditors</b>	<b>-</b>	<b>-</b>	<b>10,289</b>	<b>12,567</b>

Debtors and creditors within this table exclude transactions with government departments, the notional accrual of the value of accumulated absences due to staff, and income and payments arising from taxation, which also means that transactions involving council tax and business rates are also excluded.

## Income, Expenses, Gains and Losses.

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:-



	2014/15			2013/14		
	Financial Liabilities Measured at cost less accumulated amortisation	Financial assets Loans and receivables	Total	Financial Liabilities Measured at cost less accumulated amortisation	Financial assets Loans and receivables	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Interest expense	5,117	-	5,117	5,274	-	5,274
<b>Total expense in Surplus or Deficit on the Provision of Services</b>	<b>5,117</b>	<b>-</b>	<b>5,117</b>	<b>5,274</b>	<b>-</b>	<b>5,274</b>
Interest income	-	(91)	(91)	-	(185)	(185)
<b>Total income in Surplus or Deficit on the Provision of Services</b>	<b>-</b>	<b>(91)</b>	<b>(91)</b>	<b>-</b>	<b>(185)</b>	<b>(185)</b>
<b>Net gain/(loss) for the year</b>	<b>5,117</b>	<b>(91)</b>	<b>5,026</b>	<b>5,274</b>	<b>(185)</b>	<b>5,089</b>

### Fair Values of Assets and Liabilities

Financial liabilities, represented by borrowing and creditors and financial assets represented by loans and receivables and long term debtors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- Estimated ranges of interest rates at 31<sup>st</sup> March 2015 of 1.37% to 3.12% for loans from the Public Works Loans Board (PWLB) based on new lending rates for equivalent loans at that date:
- No early repayment or impairment is recognized:
- Where an instrument will mature in the next 12 months, carrying amount is assumed to be approximate to fair value:
- The fair value of short term debtors and creditors is deemed to be equivalent to their carrying amount at the Balance Sheet date.

Analysis of Loans by Maturity:-

	2014/15	2014/15	2014/15	2013/14	2013/14	2013/14
	Outstanding Principal	Accrued Interest	Cost less accumulated amortisation	Outstanding Principal	Accrued Interest	Cost less accumulated amortisation
	£'000	£'000	£'000	£'000	£'000	£'000
>25 years	55,515	-	55,515	60,514	-	60,514
15-25 years	6,312	-	6,312	2,187	-	2,187
10-15 years	3,494	-	3,494	2,638	-	2,638
5-10 years	8,714	-	8,714	13,707	-	13,707
2-5 years	15,531	-	15,531	10,529	-	10,529
1-2 years	9	-	9	8	-	8
<b>Total Long Term Borrowing</b>	<b>89,575</b>	<b>-</b>	<b>89,575</b>	<b>89,583</b>	<b>-</b>	<b>89,583</b>
<b>Total Short Term Borrowing (&lt; 1 year)</b>	<b>7</b>	<b>1,681</b>	<b>1,688</b>	<b>7</b>	<b>1,681</b>	<b>1,688</b>

The fair values calculated are as follows:-

	31-Mar-15		31-Mar-14	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Financial Liabilities	90,386	130,719	94,629	115,177
Long term creditors	55	55	59	59

The fair value of the liabilities is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest payable is higher than the prevailing rates at the Balance Sheet date. This commitment to pay interest above current market rates increases the amount that the Council would have to pay, if the lender requested, or agreed to, early repayment of loans.

	31-Mar-15		31-Mar-14	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Cash on deposit	13,638	13,663	11,958	12,015

The fair value of the assets is higher than the carrying amount because the Council's portfolio of investments includes a number of fixed rate loans where the interest rate receivable is higher than the rates available for similar loans at the Balance Sheet date. This shows a notional future gain (based on economic conditions at 31 March 2015) attributable to the commitment to receive interest above current market rates.

#### NOTE 45 - THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Council's activities expose it to a variety of financial risks:

**Credit Risk** – the possibility that other parties might fail to pay amounts due to the Council.

**Liquidity Risk** – the possibility that the Council might not have funds available to meet its commitments to make payments.

**Market Risk** – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

The overall management of significant risks arising from Financial Instruments is supported by the Council's Treasury Management Strategy Statement and Annual Investment Strategy which is approved by Full Council.

#### Credit Risk

Credit Risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers (debtors on the Balance Sheet).

Deposits are not made with banks and financial institutions unless, having been rated independently, they have attained a minimum credit rating or level of government guarantee, and credit limits are set for each counterparty. The Council has set a number of limits based on credit quality for different types of institutions, different periods and amounts and has a policy of not lending more than £10m to any one institution other than the UK government. It monitors credit ratings regularly and is alerted to changes by its Treasury Management consultants. Appropriate action is taken following any changes in accordance with the Annual Investment Strategy. An Annual Treasury Report is produced to report on investment activity.

The following analysis summarises the Council's potential maximum exposure to credit risk, based on experience of default and collectability over the last two decades.

### Estimated Maximum Exposure to Default and collectability

	Amount	Historical Experience of default	Estimated Maximum Exposure	Estimated Maximum Exposure
	£'000	%	2014/15 £'000	2013/14 £'000
Banks and financial institutions (Non National)	12,670	-	-	-
UK Nationalised / Part Nationalised Banks	538	-	-	-
<b>UK Local Authorities</b>	-	-	-	-
Trade Debtors under 1 year	752	10	75	315
Trade Debtors between 1-2 years	80	20	16	87
Trade Debtors between 2-6 years	38	30-70	24	419
Trade Debtors 6+ years	5	100	5	138
<b>Total Trade Debtors</b>	<b>875</b>		<b>120</b>	<b>959</b>

All deposits outstanding at year end were originally made for less than one year.

There were no material breaches of credit limits during the financial year and there were no breaches of the counterparty criteria. The Council does not expect any losses from non-performance by any of its counterparties in relation to deposits. The current credit crisis has raised the overall possibility of default and the Council has adopted stricter credit criteria for investment counterparties within its overall policy.

Trade debtors shown in this section relate to debts to be collected only through the Council's sundry debtors system. The debtors figures shown in note 24 to the Statement refer to the full amount due to the Council from all sources, including government grants, council tax and business rates, which are collected separately from sundry debtors.

The Council does not generally allow credit for customers; it has prescribed collection procedures for amounts owed by its customers and appropriate provisions are made for potential bad debts. In some circumstances, the Council obtains a legal charge on property to cover deferred debts such as self-funding of residential care.

The Council's trade debtors can be analysed by age as follows:-

	31-Mar-15	31-Mar-14
	£'000	£'000
Less than six months	667	2,617
Six months to one year	85	529
More than one year	123	1,410
<b>Total</b>	<b>875</b>	<b>4,556</b>

The Council also has a number of longer term debtors including car loans to employees and residual mortgages from a closed scheme offering home loans to tenants and to members of the public. The car loans are considered to be low risk due to the ability to deduct repayments of car loans from employees' salaries, reciprocal arrangements with other local authorities for any staff transferring with outstanding car loans, insurance for loans unpaid due to death in service and normal debt recovery procedures for any employees who leave local government employment. The mortgages are low risk due to the first charge held by the Council on mortgaged properties.

### Liquidity Risk

Liquidity Risk is low as the Council had no difficulty in the past in obtaining finance and has ready access to the Public Works Loans Board (PWLB) as lender of last resort. Therefore, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. However, there is a risk that the Council will need to renew a significant proportion of its borrowings at a time of unfavourable interest rates. The practice is to ensure that not more than 20% of loans are repayable within any two year period and to continuously assess the market rates and forecasts in order to replace maturing loans or reschedule existing loans at the most beneficial time. To assist in achieving this, the Council uses external treasury management advisors. The maturity analysis of outstanding loans is shown at note 44 on page 72. Trade and other payables are due to be paid in less than one year.

### Market Risk

**Interest Rate Risk** – The Council faces potential risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For example, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Comprehensive Income and Expenditure Account would rise;
- borrowings at fixed rates – the fair value of the borrowings liabilities would fall;
- investments at variable rates – the interest income credited to the Surplus or Deficit on the Comprehensive Income and Expenditure Account would rise;
- Investments at fixed rates – the fair value of the assets would fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and effect the Council Fund Balance.

The Council has a number of strategies for managing interest rate risk. The Council policy is to borrow mainly at fixed rates , thus obtaining certainty as to interest payable over the period of the loans. The Council, supported by its treasury advisors, continually monitors the prevailing interest rates and the market forecasts. If there was a significant risk of a sharp rise in long and short term rates, then the portfolio position would be re-appraised with the likely outcome being that fixed rate funding would be drawn down whilst interest rates were still relatively cheap. If there was a significant risk of a sharp fall in long and short-term rates then long term borrowings would be postponed, and any appropriate rescheduling from fixed rate funding into short rate funding would be undertaken.

All of the Council's current and long-term borrowing is held at fixed rates. The effect of a 1% increase in interest rates would therefore only affect interest received on its current investments. If interest rates had been 1% higher, with all other variables remaining constant, the financial effects would have been:-

Interest Rate Risk	2014/15 £'000	2013/14 £'000
Increase in interest payable on current variable rate borrowings	-	-
Increase in interest payable on long-term variable rate borrowing	-	-
Increase in interest receivable on current variable rate investments	241	231
Share of overall impact paid to the Housing Revenue Account	22	10
<b>Net impact on the Comprehensive Income and Expenditure Account</b>	<b>263</b>	<b>241</b>

**Foreign Exchange Risk** – The Council has a number of relatively small grant aided schemes under the 'Interreg' programme where the lead body is an Irish Institution and grants are denominated in Euro. A Euro Bank account was opened to support these schemes and to limit the exposure to movements in exchange rates. The balance on this account at year-end was 1.541m Euro (1.323m Euro in 2013/14): equivalent to £1.116m (£1.093m in 2013/14)

#### **NOTE 46 - JOINT COMMITTEES**

The Council and Gwynedd Council are parties to joint committees as follows:-

- Joint Planning Committee
- Special Educational Needs Joint Committee

The Council and the Councils of Gwynedd, Conwy, Flintshire Wrexham and Denbighshire are parties to joint committee relating to GwE (Gwasanaeth Effeithiolrwydd a Gwella Ysgolion Rhanbarthol') (Regional School Effectiveness and Improvement Service').

The Council, and the Councils of Flintshire, Conwy, Denbighshire and Gwynedd are parties relating to the North Wales Residual Waste treatment Project Joint committee (NWRWTP).

Gwynedd Council is responsible for the operation of the three joint committees and the year-end balances are reflected in their balance sheet, details of which are shown in the table below.

Flintshire Council is responsible for the operation of the NWRWTP joint committee and the year end balances are reflected in the balance sheet, details of which are shown in the following table.

	Joint Committee - GwE		Joint Planning Committee		Special Educational Needs Joint committee		North Wales Residual Waste Treatment Project	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Short-term debtors	5,530	1,041	8	-	-	-	334	474
Short-term creditors	(4,411)	(440)	(61)	(45)	(69)	(34)	(334)	(474)
<b>Net Assets</b>	<b>1,119</b>	<b>601</b>	<b>(53)</b>	<b>(45)</b>	<b>(69)</b>	<b>(34)</b>	<b>-</b>	<b>-</b>

#### NOTE 47 – HOUSES INTO HOMES

The six North Wales councils act as agents of the Welsh Government in providing recyclable loans under the Houses into Homes Scheme, for the repair of properties which have been long-term vacant with the aim of bringing them back into use. Flintshire County Council is the lead/banker authority for the North Wales region and is responsible for administering the fund. There were no further funds received from the Welsh Government during 2014/15, but payments against the fund previously received totalled £0.426m of which £0.075m was allocated to this Council. In 2013/14, £2.33m was received from the Welsh Government of which £0.160m was allocated to this Council.

#### NOTE 48 – COUNCIL TAX

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into nine valuation bands estimating 1 April 2003 values for this specific purpose. Charges are calculated by taking the amount of income required for the Council and the North Wales Police for the forthcoming year and dividing this amount by the Council Tax base. The Council Tax base is the total number of properties in each band adjusted by a proportion to convert the number to a band D equivalent and adjusted for discounts. The Council Tax base for 2014/15 was £30,070.64 (£29,662.00 2013/14).

The amount for a band D property in 2014/15, £1,242.77 (£1,194.14 2013/14) is multiplied by the proportion specified for the particular band to give the amount due by band. Individual amounts due are calculated by applying discounts and benefits to the amount due by band.

Council Tax bills were based on the following multipliers for bands A to I:-

Band	A	B	C	D	E	F	G	H	I
Multiplier	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9

The Council's Council Tax Base is calculated as follows:

Band	A*	A	B	C	D	E	F	G	H	I	Total
Total Dwellings	14	3,950	5,856	5,912	6,532	4,932	2,340	978	143	42	<b>30,699</b>
Multiplier	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9	
Band "D" Equivalent	7.92	2,633.33	4,554.47	5,254.89	6,532.00	6,027.39	3,379.28	1,629.17	285.00	96.83	<b>30,400.28</b>

	2014/15	2013/14
Band D equivalent as above	30,400.28	30,289.72
Collection Rate	98.50%	97.50%
Revised Band D equivalent	29,944.28	29,532.48
MOD Properties – Band D equivalent	126.36	129.52
<b>Council Tax Base</b>	<b>30,070.64</b>	<b>29,662.00</b>

In 2013/14 the Welsh Assembly Government introduced the Council Tax Reduction Scheme to replace the Council Tax benefit scheme. This was partly funded by Council Tax Reduction Scheme grant of £5.237m (see note 14).

<b>Analysis of the net proceeds from Council Tax:</b>	2014/15	2013/14
	£'000	£'000
<b>Gross Council Tax</b>	<b>37,303</b>	<b>35,739</b>
Less Council Tax Reduction awarded to residences	(5,320)	(5,394)
<b>Council Tax collectable</b>	<b>31,983</b>	<b>30,345</b>
Less: provision for non-payment not previously accounted for	(164)	(362)
<b>Net Proceeds from Council Tax</b>	<b>31,819</b>	<b>29,983</b>

#### NOTE 49 - NATIONAL NON-DOMESTIC RATES (NNDR)

NNDR is organised on a national basis. The Welsh Government specifies an amount for the rate – 47.3p in 2014/15 (46.2p 2013/14), and local businesses pay rates calculated by multiplying their rateable value by that amount. The Council is responsible for collecting rates due from ratepayers in its area but pays the proceeds into the NNDR pool administered by the Welsh Government. The Welsh Government then redistributes the sums paid into the pool back to local authorities on the basis of a fixed amount per head of population.

NNDR income, after reliefs and provisions (including Small Business Rates Relief provided by the Welsh Government), totalled £13.034m for 2014/15 (£9.651m 2013/14) and was based on rateable value at the year-end of £38.897m (£38.727m 2013/14). During 2014/15 NNDR income was considerably increased due to a significant reduction in previous years' adjustment reducing the rateable value of a large energy hereditament.

The average rateable value for the year was £38.806m (£39.103m 2013/14).

<b>Analysis of the net proceeds from non-domestic rates:</b>	2014/15	2013/14
	£'000	£'000
Non – domestic rates collectable	13,034	9,651
Cost of collection allowance	(142)	(142)
Interest paid on overpayments	-	-
Provision for bad debts	(220)	(181)
Contribution to cost of charitable relief/rural rate relief	57	55
<b>Payments into national pool</b>	<b>12,729</b>	<b>9,383</b>
<b>Redistribution from national pool</b>	<b>22,124</b>	<b>22,025</b>



**SUPPLEMENTARY FINANCIAL STATEMENT  
HOUSING REVENUE ACCOUNT**

Income and Expenditure Statement for the year ending 31 March 2015

	2014/15 £'000	2013/14 £'000
<b>Income</b>		
Gross Rent Income:		
-Dwelling rents	(13,908)	(13,022)
-Non Dwelling rents	(206)	(198)
-Charges for facilities and services	(16)	(54)
-Contributions towards expenditure	(157)	(63)
Other	(148)	(147)
<b>Total Income</b>	<b>(14,435)</b>	<b>(13,484)</b>
<b>Expenditure</b>		
Repairs and Maintenance	3,564	4,577
Supervision and Management:		
-General	2,606	2,100
-Special	581	805
Rents, Rates and Taxes	123	72
Housing Revenue Account Subsidy payable	1,559	1,696
Depreciation and Impairment of Non Current Assets	8,394	5,664
Debt Management Costs	12	15
Allowance for Bad Debts	66	245
<b>Total Expenditure</b>	<b>16,905</b>	<b>15,174</b>
<b>Net Cost of HRA Services</b>	<b>2,470</b>	<b>1,690</b>
Accumulated absences accrual movement	(6)	7
<b>Net Cost of HRA Services per Comprehensive Income and Expenditure Statement</b>	<b>2,464</b>	<b>1,697</b>
HRA Services Share of Corporate and Democratic Core	56	56
<b>Net Cost of HRA Services</b>	<b>2,520</b>	<b>1,753</b>
Loss on sale of HRA Non Current Assets	(286)	109
Interest Payable and Similar Charges	1,117	1,202
HRA Investment Income	(9)	(8)
Capital grants and contributions receivable	(2,650)	(2,600)
<b>Deficit for Year on HRA Services</b>	<b>692</b>	<b>456</b>



## Statement of Movements on the HRA Balance

Items included in the HRA Income and Expenditure Account but excluded from the movements on HRA Balance for the year

	2014/15 £'000	2013/14 £'000
Difference between amounts charged to income and expenditure for Amortisation of premiums and discounts determined in accordance with the Code and the charges for the year in accordance with statute	(31)	(13)
Depreciation and Impairment of Non Current Assets	(8,394)	(5,664)
Accumulated absences accrual	6	(7)
Loss on sale of HRA Non Current Assets (including derecognition)	286	(109)
Net charges made for retirement benefits in accordance with IAS 19	-	-
<b>Items not included in the HRA Income and Expenditure Account but included in the movement on HRA Balance for the year</b>	<b>(8,133)</b>	<b>(5,793)</b>
Transfer to reserves	2,650	2,643
HRA Minimum Revenue Provision	1,009	1,017
Employer's contributions payable to the Gwynedd Pension Fund and retirement benefits payable direct to pensioners	-	-
Capital expenditure funded by the HRA	2,632	488
	<b>6,291</b>	<b>4,148</b>
<b>Net additional amount required by statute to be credited to the HRA Balance for the year</b>	<b>(1,842)</b>	<b>(1,645)</b>

### Note to the Statement of Movement on the HRA balance

	2014/15 £'000	2013/14 £'000
Deficit for Year on HRA services	692	456
Net additional amount required by statute to be credited to the HRA	(1,842)	(1,645)
<b>Increase in HRA Balance</b>	<b>(1,150)</b>	<b>(1,189)</b>
<b>HRA Account Balance B/Fwd</b>	<b>(1,671)</b>	<b>(482)</b>
<b>HRA Account Balance C/Fwd</b>	<b>(2,821)</b>	<b>(1,671)</b>

## NOTES TO THE HOUSING REVENUE ACCOUNT

### NOTE 1 – HOUSING REVENUE ACCOUNT

The Housing Revenue Account is a record of expenditure on, and income from, the provision of local Council housing, and the form and content of the Account is prescribed by statute. The Housing Revenue Account is “ring-fenced” and must be self-supporting. Contributions both to and from the Housing Revenue Account (e.g. from the Council Fund) are limited to special circumstances.

### NOTE 2 – HOUSING STOCK

During 2014/15, the Council sold 5 dwellings under the Right-to-Buy Scheme (see note 5). The number of dwellings in the Council’s housing stock, as at 31 March 2015, totalled 3,797 properties, with the split by type of dwelling made up as follows:-

	31-Mar 2015	31-Mar 2014
<b>Council Owned Stock</b>		
Houses	2,025	2,030
Bungalows	1,044	1,044
Flats	721	721
Bedsits	7	7
<b>Total Council Owned</b>	<b>3,797</b>	<b>3,802</b>

### NOTE 3 – HOUSING REVENUE ACCOUNT CAPITAL EXPENDITURE

	2014/15 £'000	2013/14 £'000
<b>Capital investment</b>		
Houses	5,519	3,169
<b>Sources of funding</b>		
Capital Receipts	(236)	(81)
Government grants and other contributions	(2,650)	(2,600)
Direct Revenue Financing	(2,633)	(488)
<b>Total</b>	<b>(5,519)</b>	<b>(3,169)</b>

The Major Repairs Allowance for 2014/15 of £2.65m was used in full during the year (£2.6m 2013/14).

### NOTE 4 – DEPRECIATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

	2014/15 Impairments £'000	2014/15 Depreciation £'000	2014/15 Total £'000	2013/14 Impairments £'000	2013/14 Depreciation £'000	2013/14 Total £'000
Land	-	-	-	-	-	-
Dwellings	5,519	2,745	8,264	2,969	2,565	5,534
Other Property - Operational Assets	-	130	130	-	130	130
	<b>5,519</b>	<b>2,875</b>	<b>8,394</b>	<b>2,969</b>	<b>2,695</b>	<b>5,664</b>

**NOTE 5 – CAPITAL RECEIPTS FROM DISPOSAL OF LAND, HOUSES AND OTHER PROPERTY WITHIN THE HOUSING REVENUE ACCOUNT**

	2014/15 No. of Sales	2014/15 £'000	2013/14 No. of Sales	2013/14 £'000
<b>Council dwellings</b>				
Right to Buy	5	315	3	189
Discounts repaid		9		-
<b>Other Receipts</b>				
Land sales	1	150	-	-
Other property sales				
Mortgage Property		5		33
		<b>479</b>		<b>222</b>
Less set aside		(243)		(141)
		<b>236</b>		<b>81</b>

**NOTE 6 – HOUSING SUBSIDY**

In 2014/15, the Council paid housing subsidy to the Welsh Government of £1.559m (£1.696m 2013/14).

**NOTE 7 – RENT ARREARS AND BAD AND DOUBTFUL DEBTS**

During 2014/15 total rent arrears increased by £26k. A summary of rent arrears and prepayments is shown in the following table:-

<b>Rent arrears</b>	2014/15 £'000	2013/14 £'000
Current Tenant Arrears	518	512
Former Tenant Arrears	263	235
Total Rent arrears	781	747
Prepayments	(180)	(172)
<b>Total Debt</b>	<b>601</b>	<b>575</b>

Allowance has been made in the Balance Sheet for bad and doubtful debts. These stood at £0.525m against rents (£0.428m in 2013/14).

**NOTE 8 – PENSION COSTS**

As part of the terms and conditions of employment of its officers, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement. The Council participates in the Local Government Pension Scheme administered by Gwynedd Council. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

The costs of retirement benefits are recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to be made against the Housing Revenue Account is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the Housing Revenue Account after Net Operating Expenditure. The following transactions have been made in the Housing Revenue Account during the year:-

HRA Income and Expenditure Account	2014/15 £'000	2013/14 £'000
Current Service Cost	(198)	(195)
Employer Contributions actually paid	198	195
<b>Contribution to Pension Reserve</b>	-	-

It has not been possible to determine how much of the pension interest costs and expected return on assets per the actuarial report relate to the Housing Revenue Account, so these have been fully allocated to the Council Fund.

<b>RELATED PARTY DISCLOSURE - STAKEHOLDER REPRESENTATION WITH THIRD PARTY ORGANISATIONS</b>	
Age Concern Gwynedd and Anglesey	Jim Evans
Anglesey Access Group	Robert G Parry OBE
Anglesey CAB	Robert Llewelyn Jones
Anglesey Community Health Council	Jeffrey M Evans, Dylan Rees & Dafydd Rhys Thomas
Area of Outstanding Natural Beauty Joint Advisory Committee (Ynys Môn)	Lewis Davies, Richard A Dew, Derlwyn Rees Hughes, Victor Hughes & J Arwel Roberts
Armed Forces Champion	Aled Morris Jones
Betsi Cadwaladr Stakeholder Reference Group	Kenneth P Hughes
Carers' Champion	Llinos Medi Huws
Court of Governors, University of Wales, Bangor	Ieuan Williams
Cwmni CYNNAL AGM	Jim Evans
Cwmni Fran Wen	R Meirion Jones
Cwmni Prentis Menai	NONE
Cymdeithas Tai Eryri	Kenneth P Hughes
CYNNAL Management Committee	R Meirion Jones & Ieuan Williams
Diversity Champion	Carwyn Jones
Fostering Panel	Ieuan Williams
Gofal a Thrwsio Môn Management Committee	Kenneth P Hughes & Alun Wyn Mummery
Grwp Llandrillo/Menai	Ieuan Williams
Gwynedd & Anglesey Adoption Panel	Jeffrey M Evans
Gwynedd and Anglesey Youth Justices Service	Ieuan Williams
Gwynedd Liaison Committee (Superannuation Fund)	Hywel Eifion Jones
Horizon Nuclear Project Liaison Group	John Griffith, Kenneth P Hughes, William Thomas Hughes, Llinos Medi Huws, Aled Morris Jones, Richard Owain Jones & Dafydd Rhys Thomas
Joint Council for Wales	John Griffith
Joint Local Service Board (Anglesey and Gwynedd)	Ieuan Williams
Leader for Adult's Safeguarding	Kenneth P Hughes
Medrwn Môn	Ieuan Williams
Member Board of the Consortium of Local Authorities in Wales (CLAW)	Richard A Dew & Kenneth P Hughes
Member Champion	Vaughn Hughes
Menai Strait Fishery Order Management Association	NONE
Menter Môn	Aled Morris Jones
North and Mid Wales Trunk Road Joint Committee	Richard A Dew & Victor Hughes
North Wales Economic Forum	Aled Morris Jones & Ieuan Williams
North Wales Fire and Rescue Authority	Lewis Davies, Jim Evans & Richard Owain Jones
North Wales Fire and Rescue Authority Audit Committee	Jim Evans

North Wales Fire and Rescue Authority Executive Panel	Lewis Davies & Richard Owain Jones
North Wales Housing Association	Kenneth P Hughes
North Wales Police and Crime Panel	William Thomas Hughes
North Wales Regional Waste Plan Review Steering Group	J Arwel Roberts
North Wales Residual Waste Treatment Joint Committee	Richard A Dew & J Arwel Roberts
North Wales Tourism Partnership	Aled Morris Jones
North Wales Valuation Tribunal – Joint Appointing Panel	Hywel Eifion Jones
Older People's Champion	Robert Llewelyn Jones
Owen Lloyd, Penrhoslligwy Educational Trust	Derlwyn Rees Hughes
Pensions Committee (Gwynedd Council)	Hywel Eifion Jones
Regional School Effectiveness and Improvement Service Joint Committee	Ieuan Williams
Regional Technical Statement (Members Forum)	J Arwel Roberts
Review of The Regional Technical Statement on Aggregates	NONE
Scrutiny Champion	R Meirion Jones
Strategic Partnership Board : Health and Social Care and Wellbeing	NONE
TAITH Joint Committee	Richard A Dew & Robert G Parry OBE
TALNET (Joint Bibliographic Society)	Richard A Dew & Vaughan Hughes
Voluntary Sector Liaison Committee	Jim Evans, Kenneth P Hughes, Alun Wyn Mummery, Alwyn Rowlands & Ieuan Williams
Welsh Joint Education Committee	Ieuan Williams
Welsh Local Government Association	J Arwel Roberts & Ieuan Williams
Wylfa Site Stakeholder Group	John Griffith, Kenneth P Hughes, William Thomas Hughes, Llinos Medi Huws, Aled Morris Jones, Richard Owain Jones & Alwyn Rowlands

<b>Third Party organisations</b>	<b>Stakeholder</b>
North Wales Valuation Tribunal – Joint Appointing Panel	Hywel Eifion Jones
Older People's Champion	Robert Llewelyn Jones
Owen Lloyd, Penrhoslligwy Educational Trust	Derlwyn Rees Hughes
Pensions Committee (Gwynedd Council)	Hywel Eifion Jones
Regional School Effectiveness and Improvement Service Joint Committee	Ieuan Williams
Regional Technical Statement (Members Forum)	J Arwel Roberts
TAITH Joint Committee	Richard A Dew & Robert G Parry
TALNET (Joint Bibliographic Society)	Richard A Dew & Vaughan Hughes
Voluntary Sector Liaison Committee	Jim Evans, Kenneth P Hughes, Alun Wyn Mummery, Alwyn Rowlands & Ieuan Williams
Welsh Joint Education Committee	Ieuan Williams
Welsh Local Government Association	J Arwel Roberts & Ieuan Williams
Wylfa Site Stakeholder Group	John Griffith, Kenneth P Hughes, William Thomas Hughes, Llinos Medi Huws, Aled Morris Jones, Richard Owain Jones & Alwyn Rowlands

## GLOSSARY

### ACCOUNTING PERIOD

This is the period of time covered by the accounts, normally a period of twelve months, commencing on 1 April. The end of the accounting period is the Balance Sheet date.

### ACCRUALS

Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March.

### ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because:-

- Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or
- The actuarial assumptions have changed.

### ASSET

An asset is an item having value to the Council in monetary terms. Assets are categorised as either current or non current:

- A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and inventories);
- A non current asset provides benefits to the Council and to the services it provides for a period of more than one year and may be tangible (e.g. a community centre), or intangible, (e.g. computer software licences).

### AUDIT OF ACCOUNTS

This is an independent examination of the Council's financial affairs.

### BALANCE SHEET

The Balance Sheet is a statement of the recorded assets, liabilities and other balances at the end of the financial year.

### BUDGET

The Budget is a forecast of net revenue and capital expenditure over the financial year.

### CAPITAL EXPENDITURE

Capital Expenditure is expenditure on the acquisition of a non current asset, which will be used in providing services beyond the current financial year, or expenditure which adds to, and not merely maintains, the value of an existing non current asset.

### CAPITAL FINANCING

Funds that are available to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

### CAPITAL PROGRAMME

The capital schemes the Council intends to carry out over a specific period of time.



## **CAPITAL RECEIPTS**

Capital receipts represent the proceeds from the disposal of land or other non current assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the government, but they cannot be used to finance revenue expenditure.

## **CIPFA**

This is The Chartered Institute of Public Finance and Accountancy.

## **COMMUNITY ASSETS**

Community assets are assets that the Council intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historical buildings.

## **CONSISTENCY**

This represents the concept that the accounting treatment of like items, within a financial year and from one year to the next, is the same.

## **CONTINGENT ASSET**

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control.

## **CONTINGENT LIABILITY**

A contingent liability is either:

- A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control; or
- A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

## **COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT**

This represents the revenue account of the Council that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from precepts, grants and other income.

## **CORPORATE AND DEMOCRATIC CORE**

The corporate and democratic core comprises all activities that local authorities engage in specifically because they are elected, multi-purpose authorities. The cost of these activities is thus, over and above those which would be incurred by a series of independent single purpose, nominated bodies managing the same services. There is, therefore, no logical basis for apportioning these costs to services.

## **CREDITOR**

The amount owed by the Council for work done, goods received or services rendered within the financial year but for which payment has not been made by the end of that financial year.

## **CURRENT SERVICE COST (PENSIONS)**

The increase in the present value of a defined benefits pension scheme's liabilities, expected to arise from employee service in the current year.

## **DEBTOR**

The amount owed to the Council for works done, goods received or services rendered within the financial year, but for which payment has not been received by the end of that financial year.

## **DEFINED BENEFIT PENSION SCHEME**

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

## **DEPRECIATION**

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Council's non current assets during the financial year, whether from use, the passage of time or obsolescence through technical or other changes.

## **DISCRETIONARY BENEFITS (PENSIONS)**

These represent the retirement benefits, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Council's discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.

## **EVENTS AFTER THE BALANCE SHEET DATE**

Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

## **EXPECTED RETURN ON PENSION ASSETS**

For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

## **EXTRAORDINARY ITEMS**

Material items, possessing a high degree of abnormality, which derive from events or transactions that fall outside the ordinary activities of the Council and which are not expected to recur. They do not include exceptional items, nor do they include prior year items merely because they relate to a prior year.

## **FAIR VALUE**

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

## **FINANCE LEASE**

A Finance Lease is one that transfers substantially all of the risks and rewards of ownership of a non current asset to the lessee.

## **GOING CONCERN**

This represents the concept that the Statement of Accounts is prepared on the assumption that the Council will continue in operational existence for the foreseeable future.

## **GOVERNMENT GRANTS**

Grants made by the government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Council. These grants may be specific to a particular scheme or may support the revenue spend of the Council in general.

## **HERITAGE ASSETS**

An asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

## **HOUSING BENEFITS**

A system of financial assistance to individuals towards certain housing costs administered by authorities and subsidised by central government.

## **HOUSING REVENUE ACCOUNT (HRA)**

The HRA is separate account to the Council Fund, and includes the income and expenditure arising from the provision of housing accommodation by the Council.

## **IMPAIRMENT**

Impairment is a reduction in the value of a non current asset to below its carrying amount on the Balance Sheet.

## **INFRASTRUCTURE ASSETS**

Non current assets belonging to the Council that cannot be transferred or sold, on which expenditure is only recoverable by the continued use of the asset created. Examples are highways, footpaths and bridges.

## **INTANGIBLE ASSETS**

An intangible (non-physical) item may be defined as an asset when access to the future economic benefits it represents is controlled by the reporting entity. This Council's intangible assets comprise computer software licences.

## **INTEREST COST (PENSIONS)**

For a defined benefit scheme, the expected increase during the financial year of the present value of the scheme liabilities because the benefits are one financial year closer to settlement.

## **INVENTORIES**

Items of raw materials and stores a Council has procured and holds in expectation of future use. Examples are consumable stores, raw materials and work in progress.

## **INVESTMENTS (PENSION FUND)**

The investments of the Pension Fund will be accounted for in the statements of that fund. However, authorities are also required to disclose, as part of the disclosure requirements relating to retirement benefits, the share of the pension scheme assets associated with their underlying obligations.

## **INTEREST RECEIVABLE OR PAYABLE**

The effective interest rate method is used to measure the carrying value of a financial asset or liability measured at cost less accumulated amortisation, and to allocate associated interest income or expense to the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to equal the amount at initial recognition. The effective interest is adjusted to the actual interest payment or receipt through the Movement in Reserves Statement to ensure only actual interest is charged to Council Tax.

For financial assets and liabilities carried at cost because the effective rate of interest is the same as the carrying rate of interest, the carrying value is adjusted for accrued interest.

## **LIABILITY**

A liability is where the Council owes payment to an individual or another organisation.

- A current liability is an amount which will become payable or could be called in within the next financial year, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

## **LIQUID RESOURCES**

Current asset investments that are readily disposable by the Council without disrupting its business and are either:-

- Readily convertible to known amounts of cash at or close to the carrying amount; or
- Traded in an active market.

### **LONG-TERM CONTRACT**

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into more than one financial year.

### **MATERIALITY**

The concept that the Statement of Accounts should include all amounts which, if omitted, or mis-stated, could be expected to lead to a distortion of the financial statements and ultimately mislead a user of the accounts.

### **MINIMUM REVENUE PROVISION (MRP)**

The minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Council.

### **NEGATIVE SUBSIDY**

The Housing Revenue Account Subsidy calculation shows that the Council's assumed income exceeds expenditure giving rise to a "negative subsidy". In this case the Council must pay an amount equivalent to the deficit, from its Housing Revenue Account to the Welsh Assembly Government.

### **NET BOOK VALUE**

The amount at which non current assets are included in the Balance Sheet, i.e. their historical costs or current value less the cumulative amounts provided for depreciation.

### **NET DEBT**

The Net Debt is the Council's borrowings less cash and liquid resources.

### **NET WORTH**

The Net Worth is the Council's value of total assets less total liabilities.

### **NON-DISTRIBUTED COSTS**

These are overheads for which no user now benefits and as such are not apportioned to services.

### **NATIONAL NON-DOMESTIC RATES (NNDR)**

The National Non-Domestic Rate is a levy on businesses, based on a national rate in the pound set by the government and multiplied by the assessed rateable value of the premises they occupy. It is collected by the Council on behalf of central government and then redistributed back to support the cost of services.

### **NON-OPERATIONAL ASSETS**

Non current assets held by the Council but not directly occupied, used or consumed in the delivery of services. Examples are investment properties, assets under construction or assets surplus to requirements pending sale or redevelopment.

### **OPERATING LEASE**

An Operating lease is where the ownership of the non current asset remains with the lessor.

### **OPERATIONAL ASSETS**

Non current assets held and occupied, used or consumed by the Council in the pursuit of its strategy and in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

### **PAST SERVICE COST (PENSIONS)**

For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to employee service in prior financial years arising in the current financial year as a result of the introduction of, or improvement to, retirement benefits.

## **PENSION SCHEME LIABILITIES**

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measured during the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

## **PRECEPT**

The levy made by precepting authorities on billing authorities, requiring the latter to collect income from Council Tax on their behalf.

## **PRIOR YEAR ADJUSTMENT**

Material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

## **PROVISION**

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

## **PUBLIC WORKS LOANS BOARD (PWL B)**

A Central Government Agency which provides loans for one year and above to authorities at interest rates only slightly higher than those at which the government can borrow itself.

## **RATEABLE VALUE**

The annual assumed rental of a hereditament, which is used for NNDR purposes.

## **RELATED PARTIES**

There is a detailed definition of related parties in IAS 24. For the Council's purposes, related parties are deemed to include Central Government, Local Authorities and Other bodies, either precepting or levying demands on the Council. Related Parties can also include subsidiary and associated companies, joint venture and joint venture parties and particularly members and chief officers of the Council.

When considering who is a related party, regard is also taken of transactions involving members of the close family or household of any individual listed.

## **RELATED PARTY TRANSACTIONS**

The Statement of Recommended Practice requires the disclosure of any material transactions between the Council and related parties to ensure that stakeholders are aware when these transactions occur and the amount and implications of such.

## **REMUNERATION**

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

## **RESERVES**

Reserves are the accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Council. Some capital reserves such as the Revaluation Reserve cannot be used to meet current expenditure.

## **RESIDUAL VALUE**

The residual value of an asset is the net realisable value of an asset at the end of its useful life.

## **RETIREMENT BENEFITS**

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

**REVENUE EXPENDITURE**

Revenue Expenditure represents the day-to-day expenses of providing services.

**REVENUE EXPENDITURE FUNDED BY CAPITAL UNDER STATUTE (REFCUS)**

Expenditure which can be properly deferred (i.e. treated as capital in nature), but which does not result in, or remain matched with, a tangible asset. Examples of deferred charges are grants of a capital nature to voluntary organisations.

**REVENUE SUPPORT GRANT**

A grant paid by Central Government to authorities, contributing towards the general cost of their services.

**SUPPORTED BORROWING**

The Council borrows money to fund part of its capital programme. This borrowing is recognised by Central Government in its calculation of formula funding for the council.

**TEMPORARY BORROWING**

Money borrowed for a period of less than one year.

**TRUST FUNDS**

Funds administered by the Council for such purposes as prizes, charities, specific projects and on behalf of minors.

**UNSUPPORTED BORROWING**

The Council can borrow additional money to the borrowing supported by Government to finance its capital expenditure as long as it is affordable and sustainable. This power is governed by the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code with which the Council fully complies.

**UNUSABLE RESERVES**

Usable Reserves are those reserves used to absorb the differences between the outcome of applying proper accounting practices and the requirement of statutory arrangements for funding expenditure. Such reserves include the unrealised gains and losses in relation to revaluations of property plant and equipment where the value only becomes available if the asset is sold..

**USABLE RESERVES**

Specific amounts set aside for future policy purposes or to cover contingencies. They can be used to fund expenditure or reduce taxation.

**USEFUL ECONOMIC LIFE (UEL)**

The period over which the Council will derive benefits from the use of a non current asset.

**WORK IN PROGRESS (WIP)**

The cost of work performed on an uncompleted project at the Balance Sheet date.

# ANNUAL GOVERNANCE STATEMENT – 2014/15

## Final Version (May 2015)

### 1. INTRODUCTION

Regulation 4 of the Accounts and Audit (Wales) Regulation 2005 introduced a requirement for the Authority to be explicitly responsible, as part of its arrangements for corporate governance, for annually reviewing and reporting on internal control. The CIPFA Code of Recommended Practice (the Code) states that the preparation and publication of an Annual Governance Statement (AGS) in accordance with 'Delivering Good Governance in Local Government' fulfils the statutory requirement regarding the production of a statement of internal control in England, Wales and Northern Ireland. The Regulations also state that the AGS must be included in the Council's Statement of Accounts.

This is the second Governance Statement for the Council elected on new wards in May 2013. It sets out the governance arrangements in place for the year (April 2014 to March 2015) focusing on those current significant governance issues in relation to the authority achieving its vision. It highlights changes made during the year and includes a brief evaluation where weaknesses or significant improvements are identified.

Aspects of the Council's governance arrangements had been strengthened and modernised in recent years across a number of governance themes, and these were then incorporated in the Transformation Plan for the authority which was adopted in January 2013 setting out its work up to 2017 and included thereafter a four year Corporate Plan (2013-2017) . It was designed as a programme of change driven by the Council itself.

The Vision for the Council is that by 2017:-

***“we will be a professional and well-run Council, innovative and outward-looking in our approach, committed to developing people and partnerships in order to deliver efficient and effective services of good quality, that are highly valued by our citizens.”***

We also emphasise that assurance and governance will be key to ensuring the delivery of the corporate plan.

“In doing so, we will:-

- provide an integrated performance management framework, linking the Corporate Plan to the Medium Term Financial Strategy down to the annual budget setting process and individual performance development reviews
- collect and use information to monitor our performance and take action to improve where required
- support the evolving strength of the Council's democratic decision making and scrutiny processes

- strengthen our engagement with and involvement of Anglesey citizens in the Council's decision making and accountability processes
- continue to strengthen our processes around finance and workforce reporting and monitoring
- put in place robust arrangements for dealing with our financial challenges, ensuring service transformation and innovative delivery is at the heart of what we do”

The six key themes supporting the vision are:-

- 1. Professional and Well Run**
- 2. Innovative, Ambitious and Outward Looking**
- 3. Customer, Citizen and Community Focused**
- 4. Valuing and Developing our People**
- 5. Committed to Partnership**
- 6. Achieving**

There are six core principles of good governance in the CIPFA/SOLACE framework contained within 'Delivering Good Governance in Local Government' which have been adapted for local government purposes. These can be aligned with the principles and values set out by the Welsh Government (WG) as shown via the wording in italics.

1.	Focusing on the Council's purpose and on outcomes for the community and creating and implementing a vision for the local area; ( <i>Putting the Citizen First</i> ); ( <i>Achieving Value for Money</i> ).
2.	Members and officers working together to achieve a common purpose with clearly defined functions and roles; ( <i>Knowing Who Does What and Why</i> );
3.	Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour; ( <i>Living Public Service Values</i> );
4.	Taking informed and transparent decisions which are subject to effective scrutiny and managing risk; ( <i>Fostering Innovation Delivery</i> );
5.	Developing the capacity and capability of Members and officers to be effective; ( <i>Being a Learning Organisation</i> );
6.	Engaging with local people and other stakeholders to ensure robust public accountability; ( <i>Engaging with Others</i> );



## **2. SCOPE OF RESPONSIBILITY**

The Isle of Anglesey County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government (Wales) Measure 2009 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness

In discharging this overall responsibility, the Council is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk and adequate and effective financial management.

The Council has approved and adopted a local code of corporate governance which is consistent with the principles of the CIPFA/SOLACE Framework, Delivering Good Governance in Local Government. A copy of the local code is on our website at <http://www.anglesey.gov.uk/council-and-democracy/governance-and-performance>

This statement explains how the Council has complied with the code and it meets the requirements of non-statutory proper practice encouraging the publication of an Annual Governance Statement. It also meets the requirement of regulation 4(2) of the Accounts and Audit (Wales) Regulations 2005 in relation to the publication of a statement on internal control.

## **3. THE GOVERNANCE FRAMEWORK**

The governance framework comprises the systems, processes and cultural values by which the authority is directed and controlled. It also guides the activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically. The governance framework has been in place at the Council for the year ended 31 March 2015 and remains applicable up to the date of the approval of

the Statement of Accounts. Where new arrangements have been introduced during the year this has been noted.

#### **4. ANALYSIS OF THE GOVERNANCE FRAMEWORK 2014/15**

The current framework as it relates to each of the six Corporate Governance principles is described in the interlinked topics as outlined available at <http://www.anglesey.gov.uk/council-and-democracy/governance-and-performance->

The following summary focuses on the work to develop and strengthen the framework and outlines areas of weakness identified during the 2014/15 financial year.

<b>Principle One</b>	<b>Focusing on the purpose of the authority and on outcomes for the community and creating a vision for the local area</b>
<b>Related Key Theme:</b>	<b>Customer, Citizen and Community Focused Committed to Partnership; Achieving</b>

The Council's Corporate Plan 2013-17 (adopted December 2013) continued to guide the work of the Council and creates a vision for the local area. The Wales Audit Office (WAO) reported that the Plan describes the Council's priorities succinctly and clearly and explains how the priorities reflect the views of the public as well as those of the Council and other partners. The Corporate Transformation Programme Boards, which were key to the governance improvements of 2013, continue to support the transformation of the Authority to achieve its Vision and priorities. These strategic aspects are embedded in the Corporate Plan.

A joint Local Services Board for Gwynedd and Ynys Môn (LSB) was established on 1 April, 2013 replacing the previous single county Boards. This step change also included a rationalisation of strategic partnership functions in North West Wales resulting in a joint strategic Partnerships Unit straddling Gwynedd and Ynys Môn.

The new Local Services Board adopted its joint Single Integrated Plan (Gwynedd & Ynys Môn) in March, 2014 and the Plan was subsequently published in August, 2014 as a working document to be revisited over the course of the next year in order to reflect the outcomes of the Board's transformation journey and change programme.

An annual budget and Medium Term Financial Plan was approved by Council in February 2015 following extensive public consultation. Budget cuts and efficiencies continued to dominate the Council's agenda with the aim of delivering significant reductions to spending of £22m over 5 years – the equivalent of 17% whilst only allowing a limited amount of money to transform services in 2015/16.

The Council has managed its resources in a way that has led to a balanced financial position at year end for 2014/15. The Medium Term Financial Plan (MTFP) was further developed which projects the funding gap for the remaining period of this council. To bridge this gap work has been undertaken since summer 2014 in developing, with stakeholders, an Efficiency Strategy. This was formally approved by the Executive in December 2014 after a period of public consultation. This strategy provides the overarching framework of how the council is approaching its efficiency challenge.

Financial Management is fundamental to the running of the Council and improvements have been made in that the accounts, unlike in previous years, were successfully closed on time for both 2012/13 and 2013/14.

The Council however, acknowledges there is a need to further develop the MTFP in more detail in order to set out the future financial position of the Council in the context of the delivery of the Corporate Plan and the investment and disinvestment decisions required in order to achieve this. Whilst a balanced budget was set for 2014/15, both Members and Officers agreed that the process for doing so needed to improve to have better engagement between Members and Senior Officers. For the 2015/16 budget setting process, a Budget Steering Group was established chaired by the Deputy Chief Executive, with representation from all political groups. It met regularly and has overseen the development of the efficiency strategy and its consultation process, in addition to the budget setting process

The Statement of Accounts were published with an unqualified audit opinion at the end of September 2014.

The Performance Report (Performance Review) approved by the County Council in October 2014 looked back to assess how we performed against the priorities and targets as set out in our 2013/14 Corporate Business Plan. This was assessed by WAO in its Improvement Assessment Letter as the Council having discharged its improvement reporting duties under the Measure and having acted in accordance with Welsh Government guidance.

A Performance Management Framework is in place including quarterly scorecards, half yearly challenges to Services and regular reports to the Executive and to Scrutiny. The framework continues to evolve and to focus on self-assessment by Heads of Service, and on the key areas of risk and transformation. It is also focusing on improvements to reporting of workforce and financial information. During 2014, a series of Service Reviews was undertaken which covered -

- (i) Efficiencies and Service Budgets (June-July 2014)
- (ii) Performance (November-December 2014)

This further informed the budget setting process. Weaknesses in performance management and accountability had contributed to failings in both the Education and Children Services in recent years but it is now acknowledged that improvements in planning and accountability have improved the prospects for these key services.

Whilst we have established strong approaches to ensuring effective governance for new partnerships, governance arrangements for some of the more historical partnership arrangements require strengthening. A priority for 2015 will be to develop a Partnerships Policy which will provide a framework for the effective management of partnerships (both existing and new) and to offer guidance to those individuals directly involved in partnerships. The policy will also outline the governance arrangements to ensure the partnerships the Council is involved in are managed in

an efficient and effective way, focusing on actions and outcomes that support the council to deliver its strategic aims and objectives.

The impact of the implementation of a new ledger system was far greater than was originally envisaged. The implementation was undertaken before revised corporate project management expectations and we are confident that we now have improved our Project Management arrangements so that such an implementation would be better managed in the future. Consistent financial reporting was therefore difficult during 13/14. Due to the problems being experienced and the issues highlighted by internal audit, Senior Leadership Team (SLT) intervened and the Corporate Director for Sustainable Development was asked to review the situation and agree improvement actions.

These issues are now being addressed by the interim section 151 Officer and confidence in financial reporting has increased. Improvements have been made, with budget reports for services now being produced on a monthly basis. The Finance Service is working with the ledger system supplier to resolve any outstanding problems and a system re-launch is planned for 15/16. This will be a significant piece of work during 2015/16 to increase officer ownership and trust in the system and to ensure robust and timely financial reporting.

Procurement has formed an essential part of service delivery on Anglesey with major service provision externalised e.g. waste, highways and education advisory support. A national Welsh Government fitness check undertaken by KPMG in 2014 highlighted some significant issues for the Council to address. A formal project has been established to progress the required actions and the Council has invested in additional staffing to drive this agenda forward and embed working practices, which is already yielding efficiencies. The Audit Committee are monitoring progress on Procurement compliance and the improvements required.

Internal Audit review and report on processes that support the achieving of the Council's objectives and their annual report is an important part of the review of effectiveness described at Section 5 of this Statement.

Managing grant claims has been a weakness over a number of years and there was a large percentage of qualified claims for 2013. This has improved for 2014 with only 27% qualified in the work areas of –

- Learning Pathway
- SEG
- NNDR
- Teachers Pensions
- Anglesey Coastal
- Social Care Workforce Development

This area continues to be monitored by the Audit Committee. There is an action plan in place and new procedures have been issued.

<b>Principle Two:</b>	<b>Members and officers working together to achieve a common purpose with clearly defined functions and roles</b>
<b>Related Key Theme:</b>	<b>Professional and Well Run</b>

The Council has an Executive system with a Leader elected by the Council and an Executive of up to six members appointed by the Leader. The Executive make decisions on key strategic issues and is responsible for implementing the agreed policies of the Council. Each Executive Member has a portfolio for a particular council function. Two scrutiny committees hold the Executive to account; these are made up of councillors not on the Executive. There are also regulatory committees including Planning, Licensing, Appeals and Audit, together with a number of other committees set up for specific purposes.

Arrangements for committees and a scheme of delegation to officers and members are included in the Council’s constitution.

A new Relationship Protocol for Members and Officers and a programme of work supported by the Welsh Local Government Association (WLGA) was implemented during 2013 to help develop the Executive and the way members and senior officers work together; this includes the key roles of Leader and Chief Executive, and the Shadow Executive. This continues to be the case.

Elected Members have also been eager to move on from the past, and have focused their energy on becoming a Council which truly wants to fix problems, modernise service provision and deliver on its promises. Whilst constructive debate and difference of opinion should and does occur, especially with an official opposition in place, there is a greater sense of inclusiveness, of collective responsibility for outcomes and sharing in success. Whilst there is still work to do, there is also more trust and professionalism in the relationship between Members and Officers, and the focus is on delivery of effective services for citizens.

The Council’s new senior leadership structure was completed during 2012. A review of the next tier of Head of Service was undertaken in 2013-14 and this led to a reduction of six posts at this level. The exercise was substantially complete in December 2013, but may be subject to further changes in 2015/16 following the appointment of a new Chief Executive in May 2015.

During 2014/15 the approved senior leadership structure included a Chief Executive who is the designated Head of Paid Service; a Deputy Chief Executive who is responsible for leading the internal functions of the Council and ensuring good corporate governance; and three Directors who lead the agenda for their group of services, taking responsibility for the policy, planning and performance of those functions. These five officers form the Authority’s Senior Leadership Team (SLT).

Heads of Function for Resources and for Council Business are respectively the authority’s designated Chief Financial Officer (CFO) and Monitoring Officer (MO). Whilst the Head of Function for Resources has been an interim arrangement a new full time appointment was made during the Summer of 2015 (to start Oct). These

Posts both report directly to the Chief Executive who is responsible for the management of their performance and for coordinating their governance roles within the wider corporate governance, performance and change management framework

The approved management model is that the SLT leads on developing the vision and strategic direction of the Council and is held to account in that role; and that the extended management team has an implementation role. The CFO and MO attend SLT meetings and are key members of the Heads of Service management team. A revised SLT is being appointed and will be operational by the end of the financial year.

The role of SLT is to provide strategic and corporate leadership, not to be involved in the direct operational management of services. In late November 2013, the review of the Heads of Service structure was undertaken to reflect this changed role for directors. The outcome of the review was revised job descriptions and role of Heads of Service, to be wholly responsible for the operational management, performance and direction of their services. The SLT have also developed strong partnership working with the Executive, which is facilitating a more trusting and transparent environment where officers and Members work together as a team.

*The Audit Committee* is a key component of the authority's governance framework. The committee has two lay co-opted Members which serve to widen its independent knowledge and experience base. It provides independent assurance to the Council and its statutory officers on; adequacy of the governance and risk management frameworks, the internal control environment, and the integrity of the financial reporting. By overseeing internal and external audit and other regulators it makes an important contribution to ensuring that effective assurance arrangements are in place.

The Committee undertakes an annual self-assessment on its performance which informs its forward work plan. New guidance on the role of Audit Committees from CIPFA envisages a wider governance role than has historically been the case. The Audit Committee in its workshop January 19<sup>th</sup>, 2015 considered new terms of reference in line with this guidance. The suggested amendments were drafted and having been consulted upon, were considered by the Executive on 20<sup>th</sup> April, 2015 and then approved by full Council on the 14<sup>th</sup> May, 2015. The Committee will now be known as the Audit and Governance Committee.

The Council implemented the Public Service Internal Audit Standards in April 2013. There is also an expectation that local authorities are compliant with the CIPFA Statement on The Role of the Head of Internal Audit in Public Service Organisations: the Council's arrangements are consistent with the principles set out in the statement.

Allowances are paid to members in accordance with a local scheme based on the decisions of the Independent Remuneration Panel for Wales. The Panel published specific reports for this Council in respect of the year. Decisions on discretionary matters are taken by the Full Council and both the schemes, and the payments made to members under the scheme, are published on the Council's website.

A Pay Policy Statement has been adopted as required and this was reviewed and updated in March 2013 and 2014 and adopted again by the County Council in February 2015.

<b>Principle Three:</b>	<b>Promoting values for the authority and demonstrating the value of good governance through upholding high standards of conduct and behaviour</b>
<b>Related Key Theme:</b>	<b>Professional and Well Run</b>

The six key themes incorporated within the Corporate Plan for 2013-17 set out the Council's values and these are embedded in the Council's transformational activity and future vision for delivery. As a result, the Six Key Themes underpin the corporate way of working and the importance of good governance is emphasised in the Corporate Plan.

There are a number of codes of conduct and protocols in place as part of the Constitution to ensure high standards of conduct and behaviour. There is a Policy for the Prevention of Fraud and Corruption in the Constitution with subsidiary plans in place. This includes the Officers' Code of Conduct, which is statutory. Local Guidance has now been drafted on the Officers' Code and amendments and additions have been made following consultation. The Guidance has now been authorised for publication to all staff.

The MO acts as the lead officer for the **Standards Committee (SC)**, with seven of its nine members external appointments, and the remainder being Elected Members. The Committee develops and supports independence and objectivity rather than political governance and achieves this in the following ways:

- Chairman's Annual Report to Council
- Work Programme approved annually by the Council
- Four quarterly meetings and as many extraordinary meetings as are necessary to deal with referrals from the PSOW and applications for dispensations
- Dealing with any matters referred under the Local Resolution Protocol
- Dealing with any Public Services Ombudsman Wales local view requests
- Training and development arranged by the SC and/or undertaken by the SC. This year the SC focused on the development of Town and Community Council Clerks. Three quarters of the Clerks have undertaken training with the MO and the SC. A new programme has been devised for 2015/16, with the focus to be on Town Councillors.
- To supplement training for Members, briefing notes have been published on the following subject areas:
  - Local Council Housing Allocations



- Section 25 Localism Act 2011
  - Public Procurement
  - Political Freedom of Speech v Code of Conduct
  - Gifts and Hospitality
  - Dispensations
- Standards Committee Forum
  - Undertaking an annual review of the three Registers of Members interests and publishing its findings and advisory note to all Members. This year the independent Members of the Committee who undertook the review have also contacted each elected Member direct about any specific issues relating to their registration of interests.

One of the features of the Council in the past was poor behaviour by some members. The improvement that was witnessed during the time of the Commissioners has been continued. This can be evidenced by comparing a 12 month period prior to intervention, when there were 38 Ombudsman referrals, to the last 12 months to the 31<sup>st</sup> March, when there have been just 4.

<b>Principle Four</b>	<b>Taking informed transparent decisions which are subject to effective scrutiny and managing risk</b>
<b>Related Key Theme::</b>	<b>Innovative, Ambitious and Outward Looking</b>

The arrangements for delegation of Executive decisions to individual Members are now established across the Authority following guidance that was reissued in August 2013 and its effectiveness was further reviewed by management that autumn.

In 2012, the Council introduced new systems to ensure easy access to the Council's agendas, papers and minutes and from May 2013 members and the public have had the full benefit of access to committee papers and supporting information since then. Members also have direct access to this electronic system during meetings.

In addition, there are two Scrutiny Committees; one concerned with the internal working of the council and the second concerned with external partnerships and the impact of the Council on its communities. These two new committees have enabled Members to take a more holistic and corporate view of the Council, its role and impact. The Partnerships & Regeneration Scrutiny Committee has an important and essential role in reviewing our partnership arrangements and activity, and are beginning to close the democratic deficit that partnerships have been criticised for. This can be evidenced from the scrutiny it has recently undertaken on Gwasanaeth Effeithiolrwydd a Gwella Ysgolion Rhanbarthol / Regional Schools effectiveness and Improvement Service (GwE) and the Local Service Board (LSB). Future planned partnership work will include improving Scrutiny evaluation of regional, sub-regional and local partnership arrangement, developing a communication strategy for LSB, increased pace and intensity of partnership arrangement with Town & Community Councils and developing a Partnership Policy with clear guidance on criteria for entering into partnership and expected governance models..

Members represent Scrutiny on various internal Boards and review groups, the purpose of this being to promote inclusion, add value to the discussion and to report back to their Scrutiny Committee on progress and to raise areas which may require formal Scrutiny. The focus of the *Corporate Scrutiny Committee* on performance has supported the cultural change and contributed significantly to improved governance.

Each of the two Scrutiny Committees report their activity to the Council at its annual meeting.

A review of the application of the Risk Management Framework was commissioned by SLT in the summer of 2014 as the process of risk management did not appear to be working smoothly. The review confirmed SLT's concerns in that it found:

- The application of risk across the Council is inconsistent
- It is not clear how service and corporate risk registers relate
- Lack of clarity regarding process for escalation or feedback
- Risk is not well aligned with the planning and performance management processes

As a result, the policy and process have been revised and training on these has been delivered to in excess of 55 senior officers and staff. Service Risk registers have been reviewed and incorporated into the Business Planning Process and a revised Corporate Risk Register was in place by the end of March, 2015. In addition, the risk management process has been aligned to the corporate planning and performance management framework and is now an integral component of the regular annual reporting requirements. Roles and responsibilities of different political committees are being clarified and officer responsibilities being revised.

Three overarching Corporate Transformation Programme Boards (CTPBs) have been established: the Island of Enterprise, Service Excellence and Business Transformation. These provide oversight and direction on a number of high-priority projects that the council is committed to delivering. There is representation from both Scrutiny Committees and Executive on all three CTPBs, providing the opportunity for the identification of areas where the role of Members can add value either within the Boards, or through the Scrutiny process.

A robust programme and project management approach was adopted corporately to ensure delivery. Previously, this was an area of weakness. The Council has invested in a Corporate Programme Management Office (CPMO) and targeted training. This disciplined approach is delivering progress as evidenced by the school modernisation programme, older adults transformation and the smarter working business case.

The Audit Committee is a key component of the authority's governance framework. The committee has two lay co-opted Members which serve to widen its independent knowledge and experience base.

It provides independent assurance to the Council and its statutory officers on; the adequacy of the governance and risk management frameworks, the internal control environment, and the integrity of the financial reporting. By overseeing internal and external audit and other regulators it makes an important contribution to ensuring that effective assurance arrangements are in place.

A Concerns and Complaints Policy was introduced to the Council on 1st April, 2013 and places an emphasis on; Customer Care, the systematic recording of all concerns, early resolution, and the demonstration of lessons learnt and the implementation of improvements. The Policy is based on that of the Public Services Ombudsman for Wales as required by the Welsh Government.

We have a central Customer Care Officer who administers the system and complaints officers in each service who are responsible for co-ordinating responses and facilitating, where possible, the early resolution of issues raised.

Progress has been made in that the new policy has been implemented effectively – see the Internal Audit Report (June 2014). In addition, the number of formal complaints have steadily decreased since the introduction of the new policy as many “concerns” are resolved early at service level. The number of complaints to the Ombudsman was again relatively low and none were investigated. Statistical information about service complaints are published monthly on the Council’s website and form part of an annual report to the Audit Committee which also deals with DPA, FOIA and EIR; statistical information for which is also published monthly on the Council’s website.

The Whistleblowing Policy has been amended to take into account legislative changes and has been re-launched. It appears on the Council’s website. A draft Guidance document on the Policy has now been prepared and circulated to Middle Managers following their conference on 19<sup>th</sup> May 2015. Further associated work will be finalised by HR in due course once other priorities have been completed.

<b>Principle Five:</b>	<b>Developing the capacity and capability of Members and Officers to be effective</b>
<b>Related KeyTheme:</b>	<b>Valuing and Developing our People</b>

The Council has achieved the WLGA Charter for Member Support in recognition of the work that we have undertaken to provide a high standard of support to Members to undertake their diversity of roles ranging from that of community leader, to their special responsibilities within the Council.

In addition, a number of Members have undertaken professional development reviews (PDR's) and training needs have been identified from these. Whilst in its infancy at Anglesey, such a development is seen as key to enabling Members to be more effective in their role. This has now been extended to include independent Members of the Standards Committee whose performance and objectives are reviewed by the Standards Committee Chair.

During 2015, it is intended to improve and embed this practise. Member training is monitored by the Council's Democratic Services Committee.

The Council has during the past 12 months also started to use all-member briefing sessions on major developments / key strategies and budget proposals. This has proved useful in increasing the wider appreciation and understanding of different initiatives prior to further debates and scrutiny in public forums.

The **Democratic Services Committee** meets on a quarterly basis and is responsible for reviewing the adequacy and support for Members which covers; Member development, staffing resources, facilities. The Chair of the Committee has been issued with a specific job description, and members of the Committee have a separate job description setting out roles and responsibilities. The Chair also acts as the Member Development Champion and participates in WLGA network meetings where best practice is shared.

The Committee developed a work programme for 2014/15 and the Chair reports annually to Council's Annual General Meeting (AGM), including a report on the Member Development Plan. Themes associated with the WLGA Member Development Charter form an integral part of its work, including Member development.

Members have modernised the constitution to incorporate new family absence regulations and officer employment procedure rules and, most significantly, have amended the Appeals procedure rules to limit their own involvement in appeals to Heads of Service and above. This is a very significant indicator of trust in officers and acknowledges Members understanding of their strategic rather than operational role.

The Council has a People Strategy which was developed in 2011 and this supports the Council's vision at that time and has provided the framework for moving our people management forward since that time.

The People Strategy has five key priorities:

- Recruiting and retaining the Best
- Inspiring service excellence
- Building Organisational effectiveness
- Engaging, developing and managing our Talent
- Developing the skills and capacity of our workforce

To support our developing approach, the Authority has both a 'Workforce Strategy' and draft 'Talent Management Strategy' which incorporates succession planning and integrates with the competency framework used in the PDR process.

It is however acknowledged that progress on implementing workforce planning has been slow and this is primarily because before a workforce plan can be developed, there needs to be clarity of services direction. We are now in a position where we have this clarity, and therefore are able to progress workforce planning within Anglesey with vigour.

The process of job evaluation and single status has been a challenging and difficult journey. Within the Authority the process came to a halt in 2008 due to issues at a national level from one of the key trade unions.

Recognising that we are one of the last Welsh Authorities to implement job evaluation and single status, through the Authority's Transformation programme this project was restarted in 2013 and significant progress has been made over that period with:

- A quality audit of all data for currency and accuracy
- Delivery of information Roadshows
- Completion of the job evaluation appeals process
- Significant progress on pay modelling
- Significant progress on developing revised terms and conditions of employment
- Settlement of the tranche of initial Equal pay claims
- Developing post job evaluation re-grading process
- Planning for the implementation of the new proposed pay scale and terms and conditions of employment operational during 2015
- Full Council has now approved a new pay scale and new Terms and Conditions thereby authorising Officers to negotiate implementation.

This has all been achieved through team working both within and across services, supported by the trade unions, and has been a significant area of progress.

There is a lively Middle Managers forum and the Ignite Club provides inspirational learning sessions which are open to all staff. As part of the activity on the Transformation Plan and staff engagement activity, individuals across the authority have been given an opportunity to work on corporate projects and strategies.

A staff awards ceremony was introduced in December 2013 and continued in December 2014, to recognise, celebrate and promote the achievements of Council staff. Every day our staff work hard to deliver public services for the people of Anglesey, and the staff awards are an opportunity to showcase good work and demonstrate how much we value our people. There are six categories of award which mirror the *'Six Key Themes'*.

During 2015 the ceremony is to be expanded to include staff recognition to those who have gained a professional qualification and to present long service awards.

<b>Principle Six:</b>	<b>Engaging with local people and other stakeholders to ensure robust accountability</b>
<b>Related Key Theme:</b>	<b>Customer, Citizen and Community Focused</b>

In the current financial climate the Council recognises that it needs to work closely with its key partners in this area of work to avoid duplication and utilise its resources effectively.

There is evidence of good engagement practice at service level which demonstrates how the Council shares its decisions, and there is a growing culture of trust and understanding with its citizens e.g.

- Older Adults Social Care transformation programme and decision
- Primary School Modernisation programme and decision
- Housing Strategy Consultation Programme

However, the Council recognises that there is room for improvement in widening the cohort of citizens who actively engage (including hard to reach groups). As a result, Senior Officers have now recognised the opportunities to create a standardised and simplified process for engagement across the public and third sector.

Building on the success of the Seiriol pilot project in and around Beaumaris, a new community engagement model will be used as a baseline to improve a Corporate approach to community engagement. This model is going to be essential in order to identify those communities and groupings which will have an interest in taking over responsibilities for delivery of local type needs in their communities.

To realise it, the Council is establishing in collaboration with a 3<sup>rd</sup> sector project *Community Voices* a board to oversee developments and ensure buy in. Such an approach will secure an accurate reflection of Anglesey-wide views from different stakeholders which can be used thereafter to inform the decision making process.

This new approach is overseen by the *Corporate Director for Communities*. It is envisaged it will provide a cross Council approach to engagement and stakeholder involvement which will reduce duplication, ensure a collective approach to engagement and improve our area based intelligence as a Council

To assist the Council to contribute to the corporate aim of achieving ‘*excellent customer, citizen and community focus*’ (6 Key Themes), a Customer Service Excellence Project has been established. It contributes towards transforming the way the Council interacts with its customers to provide cost effective and timely services through efficient, demand led and self-service access channels.



A Customer Service Excellence Charter was successfully endorsed and launched in December, 2014 following consultation with front line stakeholder groups, officers, Elected Members, staff and trade unions. The Charter outlines our promises to the customer on how we will deal with their requests. It also outlines the expectations we have of our service users to ensure that a clear understanding is established at the outset. The values embraced in the Charter include 'putting the customer first' and demonstrating a 'can do' attitude. In accordance with its language policy, the Council is committed to ensuring that service provision is available in the chosen language of the service user (Welsh or English).

A two year webcasting pilot funded by Welsh Government grant commenced in June 2014. This is a positive example of how Anglesey has progressed its customer / citizen focused electronic approach by webcasting Executive, Planning & Orders and Council meetings. It also adds to the transparency of decision making and involves a much wider audience for debates. This development is an effective example of the channel shift agenda and the Council's continuous drive to address democratic renewal. Interest has been encouraging to date with in excess of 12,000 views.

A staff survey was undertaken during the summer of 2013. This survey attracted a response rate of 32% and results were encouraging. The key messages from the survey were:

- 71% are proud to work for the Council
- 75% are satisfied with the Council as an employer
- 89% of staff enjoy their work most of the time
- 85% are satisfied with their job.

The survey also highlighted that work needs to be done at all levels to make staff feel valued, to communicate and consult better on major issues affecting staff and to inform them about decisions taken which affect Anglesey as a whole. Improvement in these areas can be evidenced through; the staff awards ceremony, the level of engagement taken on Smarter Working; and our Internal Communication Strategy. There is no set timetable for carrying out staff surveys, but the next survey will be aligned to the six key themes as proposed by staff/Managers and accepted by Penaethiaid in the Spring of 2015.

Arrangements are in place to engage with Welsh Government, External Audit and other regulators and WLGA. These have been strengthened during the recent periods of intervention and will be sustained as part of the continuing governance arrangements.

Internal engagement is essential in developing a 'Team Môn' culture and we are in the process of refining the Internal Communication Framework. We value the views and opinions of staff and Members in contributing to the transformation agenda. Opportunities have been provided through a range of fora in which staff and members have been encouraged to actively participate. For Members, regular

informal briefing sessions have been held on a range of subjects. This enables them to better understand specific areas of work and allows them to prepare for informed scrutiny and decision making. For the 15/16 Council year, monthly briefing sessions will feature in the Council calendar.

Annual reports on their work were published by Scrutiny as well as the Standards and Audit Committees. From June 2014, individual members have also published annual reports.

There are longstanding arrangements for engaging with employees: with Trade Unions through the Local Joint Consultative Committee and less formal meetings, and communication with staff generally through e.g. monthly staff bulletins. Managers and staff were consulted and involved in decision making as part of the Transformation Programme

## **5. REVIEW OF EFFECTIVENESS**

The Isle of Anglesey County Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates

The effectiveness of the governance framework has been evaluated by a combination of:-

- the results of the regular in-year review and monitoring by officers and committees;
- a review of relevant documents prepared during the year or relating to the year;
- the review of progress against the Corporate Plan;
- a review of the six themes which underpin the authority's values
- reviews of feedback from Estyn and CSSIW and the related recovery boards on the improvement work in relation to Education and Children's Services;
- a series of interviews with key officers;
- discussion with, and receiving comments from, groups of officers and members including the SLT and the Executive.

In addition, (for this, the middle year of a 4 year term of office), we have also completed a self-assessment which depicts how effective we have been in developing as an organisation over the last 20 months.

Regular in-year review and monitoring includes:-

- formal risk management activity, including specific consideration of those risks linked to governance processes;

- Internal Audit, whose work takes account of identified risks through regular audits of the major systems, establishments, major projects and major governance processes; including risk management, in accordance with the annual internal audit plan, and which includes 'follow-up' work to ensure that senior officers implement agreed recommendations;
- the annual assessment of Internal Audit by the Council's external auditors;
- the work of the Council's Scrutiny and other Committees, including its Audit and Standards committees;
- the opinions and recommendations of the Council's external auditors and other review agencies and inspectorates;
- the regular monitoring of improvement and performance against the Corporate Plan and its supporting plans and strategies by members and senior managers.

Key policies, and any amendments to them, are approved by the Executive and where appropriate, formally adopted by the County Council.

In February 2015 a Corporate Assessment was conducted by the Wales Audit Office. At the time of writing the results of the exercise is unknown, but initial and informal feedback has been generally positive. The outcome/results of the exercise will be made known by WAO in due course (no exact date yet given) and will be published thereafter.

The Senior Leadership Team / Penaethiaid were asked for views on the effectiveness and completeness of the assurance and governance framework and comments on a draft version of this AGS before final draft was taken back to the Audit Committee for approval.

## **6. SIGNIFICANT GOVERNANCE ISSUES**

At the time of writing, and as indicated earlier, the Council is awaiting the outcome of the Corporate Assessment carried out by WAO in February 2015 (see above – no date yet given). The latest official source of analysing progress is therefore the Annual Improvement Report (AIR) issued by WAO in June 2014. That report noted that good progress was made across a number of governance themes during the year. This resulted in an Annual Improvement Report (AIR) from Wales Audit Office (June 2014) concluding "that the Council is likely to make arrangements to secure continuous improvement for 2015/16. [they] found that:-

- "the Council made steady progress in delivering improvements in most of its priority areas for 2012/13 but further improvements are required in some key services.";
- "more thorough and consistent procedures and developing governance arrangements have strengthened the Council's ability to evaluate and improve services."; and
- "if delivered effectively, the Council's plans for improvement and its arrangements to support improvement should help it to meet the financial and other challenges that lie ahead.."

They also made a proposal that “To make progress and achieve the objectives of the Transformational Plan, the Council should:-

- secure sufficient capacity, capability and stability in its corporate finance service; and
- identify and improve weaknesses in the management of the financial ledger system

The Annual Report 2015 of the Head of Internal Audit gives assurance on the framework for internal control. It identifies that out of a total of 46 reviews carried out during the year, four reviews received a “red” assurance opinion. These reviews related to;

1. Agency Staff Arrangements;
2. Logical Access Controls and Segregation of Duties;
3. Third Sector Schemes;
4. the follow up of recommendation implementation for the Logical Access and Segregation of Duties review.

A total of four reviews undertaken in 2014-15 resulted in a ‘Red Amber’ assurance opinion. These related to reviews of follow Up of implementation of recommendations made in the 2013/14 Creditors report; Homelessness Arrangements; Teacher’s Payroll; and Sundry Debtors review 2014/15

The report of the Head of Internal Audit also identifies seven areas where significant weaknesses in control would prevent the Council placing reasonable reliance on the systems of internal control in respect of those systems reviewed during the year. These areas were:-

- Business Continuity
- Risk Management
- Information management
- Governance – non-compliance with key corporate policies
- Corporate Procurement framework
- Partnership framework
- Schools (Internal Audit) Recommendation Implementation

Four of these areas have previously been identified by the Council’s Self-Assessment and good progress has been made on a number of the actions identified in the 2013/14 Annual Governance Statement as Significant Issues:-

- Developed a Medium Term Financial Plan (MTFP) which projects the funding gap for the remaining period of this council
- Formally approved an Efficiency Strategy in December 2014
- Staffing and Capacity - The Interim S151 Officer is working well with the Council to overcome historical capacity and related performance issues. Future capacity and stability is being built through actively developing existing staff, succession planning, and creating a positive learning culture
- Made some progress on information governance over the last 20 months. The final ICO’s follow up report has been received with assurance shifting

from red to amber. The CIGB's work plan has been re-drafted as a result and will continue under the scrutiny of the Business Transformation Programme Board with reports to the SLT and Audit Committee.

Progress is slower on some of the other areas in the Governance and Assurance Action Plan:-

- Risk Management with the embedding and implementation of the practise to be realised during 15/16,
- Business Continuity arrangements now to be progressed on a North Wales basis;
- Compliance with key corporate policies – an Officer working group has now been established to deal with policy compliance matters;

These items are reflected in the report of the Head of Internal Audit; in the Self-assessment; or in the AIR and are included in the governance action plan for 2015/16

Based on the review outlined above, and in particular the annual report of the Head of Internal Audit; the Corporate Self-assessment, and the Annual Improvement Report by the Wales Audit Office, the following areas have been identified as current significant governance issues in relation to the authority achieving its vision:

<b>Significant Governance Issues</b>	
<b>Issue</b>	<b>Actions Identified to Address Weaknesses</b>
<b>Business Continuity</b> – Recommended actions to strengthen controls in this area	Actions have been collated from a number of assurance provider reports, including those of Internal Audit. Progress on arrangements is now being made on a North Wales basis.
<b>Risk Management</b> - The Council is in the process of developing its Risk Management Framework and embedding risk management in the organisation.	A review of the application of the Risk Management Framework was commissioned by SLT in the summer of 2014 as the process of risk management did not appear to be working smoothly. The review confirmed SLT's concerns in that it found: <ul style="list-style-type: none"> <li>• The application of risk across the Council is inconsistent</li> <li>• It is not clear how service and corporate risk registers relate</li> <li>• Lack of clarity regarding process for escalation or feedback</li> <li>• Risk is not well aligned with the planning and performance management processes</li> </ul>

	<p>As a result, the policy and process have been revised and training on these has been delivered to in excess of 55 senior officers and staff. Service Risk registers are being reviewed and incorporated into the Business Planning Process and a revised Corporate Risk Register will be in place by the end of the first quarter of 2015. Roles and responsibilities of different political committees are being clarified and officer responsibilities being revised.</p> <p>Process and reporting structures to be implemented during 2015/16.</p>
<p><b>Information Management</b> – The Information Commissioner’s Office has undertaken a review in this area and identified similar issues and control weaknesses to those identified by the WAO, PWC and Internal Audit in previous reports</p>	<p>A follow up report from the Information Commissioner’s Office noted that there was lack of progress on previous recommendations and noted the following areas for improvement :-</p> <ul style="list-style-type: none"> <li>• Policy document controls are inconsistent and substantively lacking and there is no regular policy compliance monitoring at loACC, contrary to previous ICO audit recommendations and Undertaking requirements.</li> <li>• There is no forum in place to facilitate operational staff raising data protection issues / concerns.</li> <li>• There is no corporate retention schedule and there are no policies or guidance as to how employees should destroy manual personal data.</li> <li>• Back-up tapes are not tested to ensure that information is recoverable.</li> <li>• There is currently no central register of data security incidents.</li> <li>• loACC do not put a contract in place with the external contractor they select every year to carry out penetration testing.</li> </ul> <p>CIGB workplan re-drafted to address</p>

	<p>issues outlined above. Regular update reports to SLT and Audit Committee will be implemented.</p>
<p><b>Governance</b> - Issues relating to non-compliance with key corporate policy and procedure have again been identified in 2014-15, for example in relation to corporate procurement; ICT Security; Third Sector Scheme; etc. The Council has stopped the use of its electronic policy compliance and sign off of policies system which recorded users as having read, understood and agreed to abide by policies. Without such record of sign off it is more difficult to show that the policies have been adequately disseminated to relevant staff.</p>	<p>Recent internal audit reports have highlighted elements of non-compliance with a number of corporate policies, from which the SLT have identified this as a key priority for the Council to address.</p> <p>A task has been established under the leadership of the Head of Function Council Business to research and develop appropriate options for Policy Management for the Council.</p> <p>This work will cover the key corporate policies, procedures, protocols that:</p> <ul style="list-style-type: none"> <li>• govern the way we work (where we need to ensure compliance); and</li> <li>• all staff need to be aware of (corporate communication)</li> </ul> <p>Initially, only the Council's main corporate policies will be in-scope.</p> <p>Service-specific policies will be out of scope for the initial phase but the process of defining appropriate options will need to include medium / long-term aspirations.</p>
<p><b>Corporate Procurement Framework</b> – Procurement has formed an essential part of service delivery on Anglesey with major service provision externalised e.g. waste, highways and education advisory support.</p> <p>A national Welsh Government fitness check undertaken by KPMG in 2014 highlighted some significant issues for the Council to address.</p>	<p>A national Welsh Government fitness check undertaken by KPMG in 2014 highlighted some significant issues for the Council to address. A formal project has been established to progress the required actions and the Council has invested in additional staffing to drive this agenda forward and embed working practices, which is already yielding efficiencies.</p> <p>New Contract Procedures Rules are to be introduced and implemented. Procurement Team will draft additional guidance to accompany the CPR's and will arrange with HR a training programme for relevant officers.</p>

	<p>A review of Procurement arrangements has been included in the Internal Audit operational Plan for 2015/16 to provide assurance that the changes made have led to increased compliance with procurement regulation, policy and procedure.</p>
<p><b>Partnerships Framework</b> - The Council does not have a formal Partnership Framework in place to provide assurance that all partnerships have adequate governance, management and performance arrangements in place to meet their stated objectives and that they provide value for money in relation to the Council's financial and other resources invested in them. A review of corporate compliance with guidance issued in relation to the administration of Third Sector Schemes also received a 'Red Assurance' opinion in 2014/15</p>	<p>Partnership working requires a culture of shared ownership and common working across organisations and professional barriers. This needs to be underpinned by effective support to officers and Members involved in the partnership and collaborative agenda, and we recognise the need to strengthen this to maximise the effectiveness of the partnerships we are involved with.</p> <p>A priority for 2015 will be to develop a Partnerships Policy which will provide a framework for the effective management of partnerships (both existing and new) and to offer guidance to those individuals directly involved in partnerships.</p> <p>A follow up of the Internal Audit review of Partnership Arrangements issued in June 2013 is to take place in quarter 1 of 2015/16.</p>
<p><b>Schools Recommendation Implementation</b> – There is a continuing issue with regards to schools implementing internal audit recommendations. These recommendations relate to financial and governance issues within schools which should be of concern to Head Teachers, the Governing Body and to the Education Department. .</p>	<p>These are considered important issues for the Council which need on-going work to address them in 2015/16</p>





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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>REPORT TO:</b>	<b>COUNTY COUNCIL</b>
<b>DATE:</b>	<b>29/9/15</b>
<b>SUBJECT:</b>	<b>ANNUAL PERFORMANCE REPORT 2014/15 (Draft)</b>
<b>PORTFOLIO HOLDER(S):</b>	<b>COUNCILLOR ALWYN ROWLANDS</b>
<b>HEAD OF SERVICE:</b>	<b>SCOTT A ROWLEY</b>
<b>REPORT AUTHOR:</b>	<b>GETHIN MORGAN</b>
TEL:	01248 752111
E-MAIL:	<a href="mailto:GethinMorgan@anglesey.gov.uk">GethinMorgan@anglesey.gov.uk</a>
<b>LOCAL MEMBERS:</b>	<b>n/a</b>

<b>A - Recommendation/s and reason/s</b>
<p><b>1.1</b> The Council needs to publish a forward looking Annual Delivery Document as soon as practicable after 1 April each year, a document containing the key priorities and Improvement objectives of the Authority's four year Corporate Plan for that particular year</p> <p><b>1.2</b> In addition, the council is also required to prepare and publish its annual Performance Report by 31 October each year - a statutory document which analyses performance over the previous financial year against those improvements and priorities as outlined in the Annual Delivery Document 2014/15 and the Corporate Plan 2013/17</p> <p><b>1.3</b> This paper outlines the draft of the Performance Report which looks back at the performance of the Council for 2014/15 .</p> <p><b>1.4</b> The Report looks at the council's progress against its Improvement Objectives for 2014/15 as outlined through our 7 key areas in the 2014/15 Annual Delivery Document :-</p> <ol style="list-style-type: none"> <li>1. That we Transform Older Adult Social Care</li> <li>2. Regenerate our Communities and Develop the Economy</li> <li>3. Improve Education, Skills and Modernise our Schools</li> <li>4. We increase Our Housing Options &amp; Reduce Poverty</li> <li>5. Transform our Leisure &amp; Library Provision</li> <li>6. Becoming Customer, Citizen &amp; Community Focused</li> <li>7. Transform our Information and Communication Technologies (ICT)</li> </ol> <p><b>1.5</b> The draft looks at the outputs and outcomes against what we said we would deliver during</p>

2014/15 against the above 7 key themes

**1.6** A key part of the finalised Performance Report will be an assessment of the Council's performance against its key performance indicators that looks at performance year on year and benchmarked against other local authorities in Wales. The report will highlight our achievements and areas of weakness as identified by National Strategic Indicators (NSIs) and Public Accountability Measures (PAMs). An overall analysis will also look at key Performance indicators for services as measured through the Service improvement Datasets (SIDs).

**1.7** The Committee is therefore asked :

- **To agree that the final version of the Performance Report 2014/15 be published by the statutory October deadline is completed by Officers in consultation with the Portfolio Holder for publication to our website**

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

n/a

**C - Why is this a decision for the Executive?**

This matter is delegated to 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?**

Yes

**DD - Who did you consult?**

**What did they say?**

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

**E - Risks and any mitigation (if relevant)**

1	<b>Economic</b>	
2	<b>Anti-poverty</b>	
3	<b>Crime and Disorder</b>	
4	<b>Environmental</b>	

<b>5</b>	<b>Equalities</b>	
<b>6</b>	<b>Outcome Agreements</b>	
<b>7</b>	<b>Other</b>	
<b>F - Appendices:</b>		
Appendix A – Annual Performance Report 2014-15 (Draft)		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
<ul style="list-style-type: none"> <li>• Annual Delivery Document 2014/15</li> <li>• Corporate Business Plan 2013-2017</li> </ul>		



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

**Isle of Anglesey County Council**  
**ANNUAL PERFORMANCE REPORT 2014/15**

Isle of Anglesey County Council  
Llangefni  
Anglesey  
LL77 7TWTel: (01248) 752111

# ANNUAL PERFORMANCE REPORT 2014-2015

## INTRODUCTION

The aim for Anglesey Council as stated in our 2013-2017 Corporate Plan is that by 2017 –

**“We will be a professional and well-run council, innovative and outward looking in our approach, committed to developing our people and partnerships in order to deliver efficient and effective services of good quality, that are highly valued by our citizens”**

We outlined what we would do to deliver our Corporate Plan priorities in our Annual Delivery Document 2014-15. This document will outline how we delivered on our promises over the last twelve months (2014/15) and demonstrates our willingness and drive to discharge our duty of continuous improvement as expected of Local Authorities under the Welsh Government measure 2009.

The seven key areas where for improvement during 2014-15, as outlined in both our 4 year Corporate Plan (2013-2017) and our Annual Delivery Document (2014/15) were:-

1. Transform Older Adult Social Care
2. Regenerate our Communities and Develop the Economy
3. Improve Education, Skills and Modernise our Schools
4. We increase Our Housing Options & Reduce Poverty
5. Transform our Leisure & Library Provision
6. Becoming Customer, Citizen & Community Focused
7. Transform our Information and Communication Technologies (ICT)

Within this report we will look back at our objectives under the seven key themed areas and measure how well we actually did, as well as analyse the performance data that demonstrates and supports the achievement of our outcomes both locally and nationally.

## Transform Older Adult Social Care

People are living longer and as such, we expect to see an increase in the number of people over 85 on Anglesey over the next 10 years. The Isle of Anglesey has one of the highest older people's populations in Wales. The number of people with long-term complex conditions including dementia is also increasing. In order to provide the necessary level of support required to meet the growing complexities in demand (in terms of both finance and workforce) the Council has acknowledged that it needs to change the way we deliver adult social care to ensure that services are sustainable now and can remain so for future generations.

### How did we do this in 2014/15?

**Our Promise: We will develop and establish in collaboration with partners 2 extra care housing schemes in the North and centre of the Island with planning for a further extra care housing scheme in the South of the Island by :**

#### What we said we would do

- Identifying suitable sites and development partners and agreeing a service model and design for Extra Care in collaboration with local community needs
- Ensuring that Plans, including necessary permissions, are in place for Extra Care Housing build to begin
- Implementing the most financially viable option for Llawr Y Dref, Llangefni as identified by an Options Appraisal
- Identifying the development possibilities and site for Extra Care in the South of the Island

#### What we did

- We have worked closely with the local community to develop an Extra Care Service Model
- Identified a development site for the proposed Llangefni Extra Care development . Chose a development partner to develop Llangefni Extra Care
- Presented financial proposals for both Llangefni and Amlwch Extra Care Housing following options appraisal
- Helped submit planning application for Llangefni Extra Care which will be considered during 2015



**Our Promise: Improve the range and availability of community based services for older people which will reduce the reliance and need for residential care homes by:**

**What we said we would do**

- Agreeing a clear strategy and plan for enabling older people to stay at home for longer, as identified through the 'No Place Like Home' Strategy
- Developing, agreeing and beginning to implement the 'Community Hub' model by December 2014, in which the broad range of support and services that are provided by local (and often informal) communities are enhanced and "joined up" so that improved support and care is provided by and through the community that is local to the older person in need

**What we did**

- Introduced a 'Community Hub' model which incorporates Age Well Centres in Amlwch and Llangefni with Local Area Coordination in the Seiriol Area
- The Community Hub model played a key role in the Llangefni Extra Care Design
- Began implementing an informal but clear strategy to enable older people to stay at home for longer

**Our Promise: Re-develop our re-ablement service to support and help people to get better and regain independence using support plans which are outcome based by:**

**What we said we would do**

- Developing and embed a re-ablement programme that enables people that need care and support to remain or return to their own home and move out of hospital or other care settings.
- Improving integration of re-ablement service with all parts of the provision which meets the care and accommodation needs of older people

**What we did**

- Developed and embedded a re-ablement programme to enable people that need care and support to remain or return to their own homes
- Improved integration of the re-ablement programme which has now linked to acute hospital, The Mon Enhanced Care Service and interacts with all services provided at Intermediate Care.

**Our Promise: In partnership with the Health Board, develop joint service delivery and management in particular in relation to dementia, older people services in general and support for carers by**

**What we said we would do**

- Develop a project that enhances provision of Dementia support services by reviewing threshold arrangements and agreeing, by July 2014, a project plan for actions that will improve services and joint working with Health
- Undertake an audit of family carers and the support they require, by October 2014

**What we did**

- Worked with the voluntary sector to provide Dementia Cafes and Day Carers Respite facilities.
- Further work is planned for 2015-16 to enhance the provision of Dementia Support Services further and undertake an audit of family carers and the support they require.

**Performance Information for Adult Services**

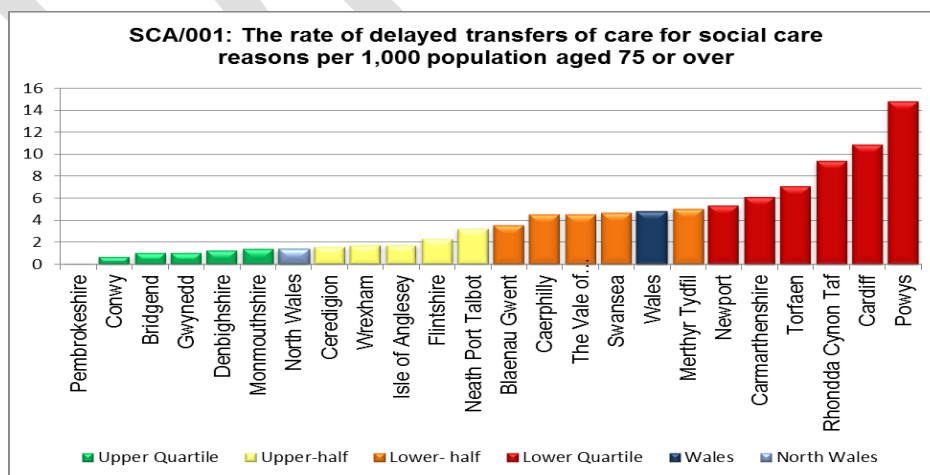
The results of relevant Performance Indicators (PI) for Adult Services are outlined in Table 1 (below) and analyses both the result for 2014/15 against the previous year and the quartile position of each PI.

<b>Table 1</b> PI Description	2013/ 14	2014/ 15	Yr on Yr Trend	Quartile 14/15
SCA/001: The rate of delayed transfers of care for social care reasons per 1,000 population aged 75 or over	0.55	1.8	↓	Upper Median
SCA/002a: The rate of older people (aged 65 or over) supported in the community per 1,000 population aged 65 or over at 31 March	54.41	49.5	↓	Lower
SCA/002b: The rate of older people (aged 65 or over) whom the authority supports in care homes per 1,000 population aged 65 or over at 31 March	18.16	23.28	↑	Lower

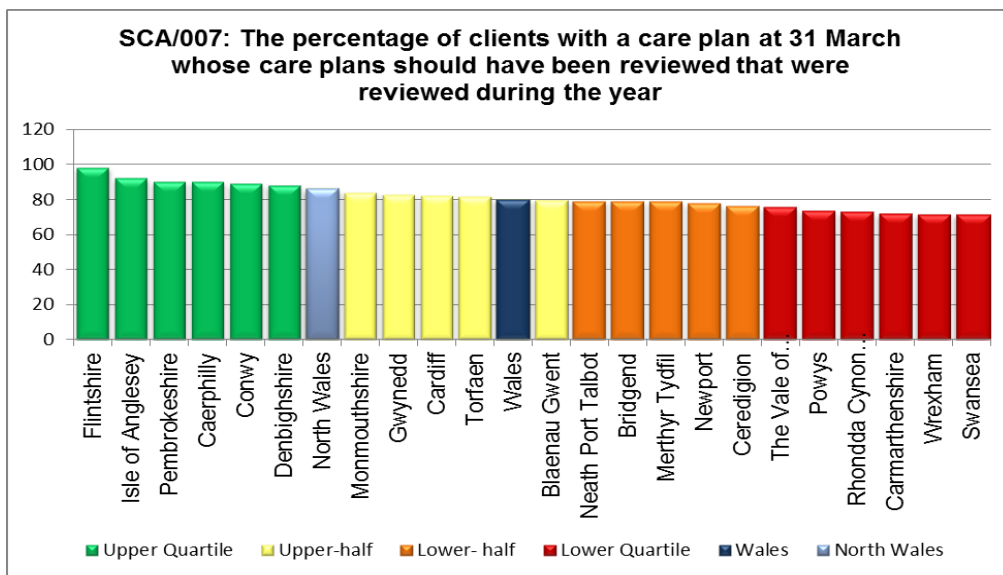
SCA/007: The percentage of clients with a care plan at 31 March whose care plans should have been reviewed that were reviewed during the year	87.86	92.2	↑	Upper
SCA/018a: The percentage of carers of adults who were offered an assessment or review of their needs in their own right during the year	91.28	92.9	↑	Lower Median
SCA/019: The percentage of adult protection referrals completed where the risk has been managed	88.89	91.92	↑	Lower
SCA/020: The percentage of adult clients who are supported in the community during the year	80.37	79.1	↓	Lower

The Performance Indicators for Adult Services show very little change between 2013/14 and 2014/15. Of the 7 PIs, one is in the top quartile and another one is in the upper middle quartile – the only change being a slight decline in SCA/001: The rate of delayed transfers of care for social care reasons per 1,000 population aged 75 or over, where we have moved from the top quartile to the upper middle quartile (from 3<sup>rd</sup> in Wales in 2013/14 to 9<sup>th</sup> position in 2014/15, but still above the Welsh average) see Table 2. The only other PI to have improved within the upper quartile is SCA/007: The percentage of clients with a care plan at 31 March whose care plans should have been reviewed that were reviewed during the year – moving from 5<sup>th</sup> to 2<sup>nd</sup> position in Wales and from 87.9% in 2013/14 to 92.2% in 2014/15 (Table 3)

**Table 2**

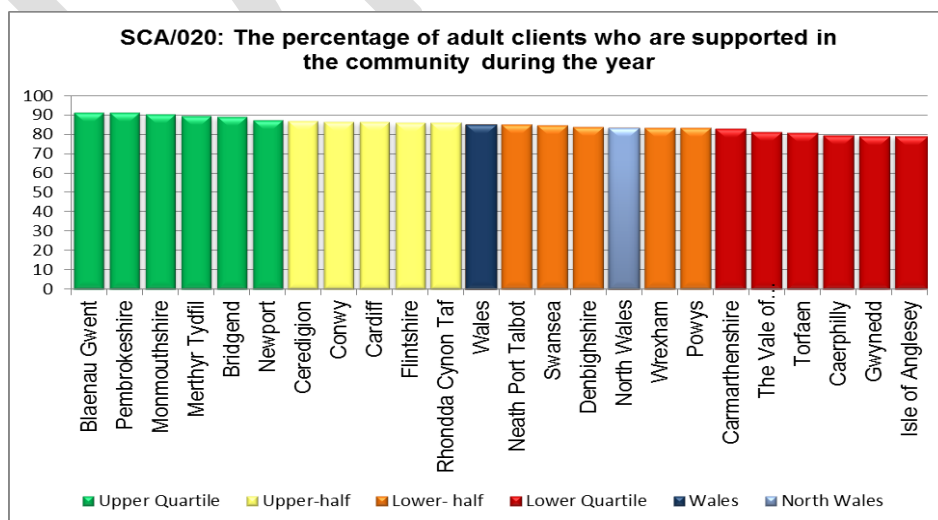


**Table 3**



Of the 4 PIs that are in the lower quartile – in 18<sup>th</sup>, 19<sup>th</sup>, 20<sup>th</sup> and 22<sup>nd</sup> positions across Wales - two have however improved in performance (SCA/002b: The rate of older people (aged 65 or over) whom the authority supports in care homes per 1,000 population aged 65 or over at 31 March and SCA/019: The percentage of adult protection referrals completed where the risk has been managed). One PI remains in 22<sup>nd</sup> position (Table 4) but we are aware that this is because the social services department’s model is based on supporting individuals to be independent of services with strong preventative and low level support available in communities. This indicator goes contrary to this aim, an aim which is entirely consistent with the requirements of the Social Services & Wellbeing Act.

**Table 4**



### **What Service Users are saying about Adult Services:**

“I would like to say how grateful I am to the carer for her prompt actions and quick thinking and would like to commend her for the way she carried out her duties”

“Very many thanks for the wonderful care and attention I have received since my discharge from hospital”

“Thanks for all the friendliness and support you showed to us as a family”

“I would like to thank you for being so kind to me during my stay. The food was lovely and I had fun with the staff.”

“The social worker advised us of the support available, obtained urgent help from the re-ablement service and ensured that my relative avoided an unnecessary hospital stay... I cannot commend her highly enough for her kindness, professionalism and ability to get things moving.”

DRAFT

## Regenerate Our Communities and Develop the Economy

The Council is working to bring local communities, social enterprises, businesses and the public sector together to agree and progress regeneration priorities, and work in partnership to utilise the proposed economic investment to improve quality of life. In order to do this, we need to think creatively, pool resources and work collaboratively to improve the lives and opportunities of local people.

The economy is a significant issue for many with new job creation seen as critical by our citizens to provide a sound base for improving quality of life. Whilst it is acknowledged that the private sector is the main economic driver and wealth creator on the Island, the Council has a role in establishing an environment for growth where local businesses can grow and new businesses can be established and flourish.

The Energy Island Programme and recently designated Enterprise Zone status provides a once in a generation opportunity to create substantial new jobs as a result of the planned investment and growth potential of the low carbon energy sector. We said that we would look at developing schemes which increase employment opportunities for young people, improve infrastructure and support the supply chain. In addition we stated we would continue to support and develop other key sectors, such as tourism, which drive the Island's economy.

### How did we do this in 2014/15?

**Our Promise: Work with the Welsh Government and other partners to strengthen the competitiveness of the island's economy by improving infrastructure, skills availability and supporting local companies by**

#### What we said we would do

- Maximise external European and domestic funding (including 2014-2020 EU Structural and Rural Development Plan funds) to capitalise upon regeneration and investment opportunities by developing 15 new business cases in collaboration with others in Strategic Infrastructure, Sites and Premises, Physical Regeneration, Tourism and Business Support
- Influence, promote and co-ordinate business and enterprise support activities – inclusive of supporting 18 existing and new businesses and creating 25 new jobs in small and medium sized enterprises (employing less than 250 people) through the Local Investment Fund
- Enhance and develop existing and new strategic infrastructure and business sites and

premises, including construction of 4 new business units in Llangefni to address lack of investment in premises on Anglesey

- Ensure Anglesey capitalises fully from the Welsh Government Enterprise Zone designation by responding to all inward investment requests

#### What we did

- We developed eight business cases in line with key priorities – inclusive of
  - Business Centre Extension
  - Sites & Premises (Phase 2)
  - Physical Regeneration Activities
  - Llangefni Walking & Cycling
  - Holyhead Investment Fund
  - Llangefni Link Road
  - Anglesey Infrastructure Improvement Plan
  - Holyhead International Destination Gateway / Developing the Island's Cruise Economy
- We also delivered & closed 9 EU funded projects during the year, inclusive of
  - Llwyddo'n Lleol
  - Taith Transforming Transport
  - Collaboration Improvement Network
  - Ymweld â Môn
  - Mentergarwch
  - Potential NEETs
  - Anglesey 3 Towns
  - RDP Bro Services
  - New Work Connections
- We submitted 6 new applications for external funding support (non-EU) inclusive of
  - Tour of Britain Legacy funding
  - Welsh Government Town Centre Action Plan
  - Link Road
  - Infrastructure Improvement Plan
  - Anglesey Business Centre Extension
  - Gaerwen Masterplan
- In 2014/15 we supported 20 businesses through the Local Investment Fund (LIF) and assisted in the creation of 30 new jobs (e.g. Enochs in Valley and a new brewery and bakery in Amlwch)
- We engaged with 111 of the Island's businesses to understand their development needs
- 4 new Business Units in Llangefni were constructed and subsequently let to 2 local businesses

- We responded to all inward investment requests received in 2014/15 to capitalise on the Welsh Government Enterprise Zone designation

**Our Promise: Have through its destination management plan support for the visitor economy by working with partners to promote Anglesey's image and distinctive strengths by:**

**What we said we would do**

- Develop and promote Anglesey's image and distinctive strengths by attracting 250,000 unique users visiting VisitAnglesey.com and 95,000 unique users visiting AngleseyHeritage.com
- Support strategic tourism events and implementing projects which include -
  - the improvements of circular walks / cycle routes
  - enhancements to mobile phone apps through digital technology
  - continued promotion and marketing of Geo Môn
  - Tour de Mon, Wales Bike Festival, Anglesey Sandman Triathlon, Gwyl Gardd Goll (music festival), Sea Food Festival, Copper Fest, Miwsig Moelfre and SeeMor Film Festival
- Develop the island's Cruise economy by welcoming 15 Cruise ships to the Port of Holyhead
- Implement further capital improvement schemes at Porth Dafrach, Trearddur Bay, Rhosneigr, Cemaes, the Menai Strait & the provision of Water sports taster sessions as part of our Coastal Environment project
- Lease 400 annual moorings and registering 1,000 boats and personal watercraft
- Provide safe, effective and co-ordinated service to meet the needs of the Island's coastal communities and visitors through completing infrastructure improvements at Holyhead Fish Dock

**What we did**

- We received 501,071 unique user visits to VisitAnglesey.com website during 2014-2015.
- We also had 10,994 unique user visits to AngleseyHeritage.com website during 2014-2015
- 60k destination materials promoting the Island and informing visitors were printed and distributed which included Destination Guides, Circular Walks and Rocks & Ruins leaflets



- We supported 2 events through the Ymweld â Môn project - Tour de Môn Cylce sportif and Anglesey Walking Festival
- 6 strategic tourism events were also supported:
  - Gwyl Gardd Goll
  - Copperfest
  - Sea Food Festival
  - Miwsig Moelfre
  - Beaumaris Food Festival
  - SeeMor Film Festival
- 3 circular walks / cycle routes at Cemaes geo-trail footpath, Brickshed – Breakwater Country Park and Lon Las Cefni were improved
- We published and disseminated GeoMôn marketing and promotion booklets
- 14 cruise ships were welcomed to the Port of Holyhead during 2014 (one visit cancelled due to a lack of bookings)
- 5 Capital improvement schemes were completed at Porth Dafrach, Trearddur Bay, Rhosneigr, Cemaes, the Menai Straits.
- 1055 water sports taster sessions were facilitated during 2014-2015 as part of our Coastal Environment project
- We let 350 annual mooring spaces and received 1275 boat and personal watercraft registrations during 2014/15
- 26 Beach Wardens and Slipway attendants were employed in 2014/15 at key locations to promote general safety and enjoyment of all beach users during the summer season
- Improvement works at Holyhead Fish Dock and Amlwch Port were completed during the year
- We removed Pontoons so that they can be refurbished, replaced ladders and commenced work on the High Light at Holyhead Fish Dock

**Our Promise: Work with partners to overcome infrastructure constraints (for example broadband width and mobile technologies) to enable development, investment and job creation**

**What we said we would do**

- Collaborate with project developers and other public sector organisations to invest in competitive people, business and infrastructure to capitalise upon local and regional

opportunities for jobs, growth and prosperity

- Secure skills and resources to modernise infrastructure in support of low carbon energy developments and raise awareness of potential employment opportunities to attract people back to Anglesey, and ensure that the local workforce and young people have the appropriate skills and abilities by preparing local businesses to capitalise on the opportunities of major developments
- Prepare the Anglesey Infrastructure Prospectus to outline future requirements and improvements and securing improved services to priority Enterprise Zone sites
- Secure the Llangefni Link Road planning consents - a new route to improve linkages and connectivity between Bryn Cefni Business Park and Coleg Menai that should also open up significant new areas of employment land

#### **What we did**

- We maximised employment opportunities associated with the energy sector by discussing capacity constraints and potential improvements required to the electrical network to meet future demand on the Island with Scottish Power Energy Networks
- We supported developers that are part of the Energy Island Programme with advice and guidance on the employment, supply chain and inward investment opportunities they will present
- We co-ordinated key partners in ensuring the skills and education needs of the Island's young people are met enabling them to capitalise on the opportunities associated with the proposed low carbon developments
- We advised the North Wales Economic Activity Board on the types of employment & skills needed for roles within low carbon energy development
- We arranged the CodiSTEM event which was held to raise awareness of STEM subjects (Science, Technology, Engineering and Mathematics) and their benefits for future careers
- Funding through WG Enterprise Zone (EZ) programme was secured by us to progress the Infrastructure Prospectus (which includes regeneration, infrastructure and property requirements, as well as ICT communications, power, transportation and water for key sites)
- We submitted and approved a planning application for the Llangefni Link Road and completed an Economic Impact Assessment as part of the planning process

**Our Promise: Effectively undertake our planning responsibilities in relation to all major projects on Anglesey, ensuring that potential negative impacts are lessened and positive community benefits maximised by**

**What we said we would do**

- Identify, define and develop the Isle of Anglesey County Council's major energy legacy aspirations (statutory and non-statutory – e.g. Horizon Nuclear Power and Celtic Array) and secure resources from Planning Performance Agreements with major developers to enable contributions to the statutory planning process in an informed and timely manner
- Ensure that New Nuclear Build Supplementary Planning Guidance at Wylfa is formally adopted by the County Council
- Prepare and implement the Energy Island Programme Communication Strategy and Delivery Plan and continuing collaboration with the Department for Energy and Climate Change and the Welsh Government

**What we did**

- We held ongoing discussions with developers (including Horizon Nuclear Power) regarding Isle of Anglesey County Council legacy aspirations
- We adopted the Wylfa Nuclear New Build (NNB) Supplementary Planning Guidance
- We outlined non-statutory expectations within the voluntary Community Benefit Strategy
- We qualified activities funded through Planning Policy Agreements with Horizon, Centrica and the National Grid
- The New Nuclear Build Supplementary Planning Guidance at Wylfa was formally adopted by the County Council during 2014/15
- The Energy Island Communication Strategy has been drafted and the work programme has commenced and key actions have been achieved, including a Social Media presence on Facebook and Twitter
- We continue to collaborate with the Department of Energy & Climate Change (DECC) and the Welsh Government

**Our Promise: Work with the University to develop a science park in the South of the Island adding value to the proposed energy developments, create jobs and diversify the local economy by**

**What we said we would do**

- Support Bangor University to develop their Science Park and establish a North Wales Marine Energy Programme

**What we did**

- We collaborated with Bangor University on the Science Park, with officers regularly attending Menai Science Park Stakeholder Group meetings at Bangor University

**Our Promise: Drive community regeneration and develop holistic town and community plans for the island's main settlements, prioritising Holyhead, Llangefni and Amlwch by**

**What we said we would do**

- Develop Physical regeneration business cases for Llangefni and Amlwch following robust options appraisals to identify priority physical, social and environmental regeneration activities to address the specific needs and requirements of both towns
- Effectively implementing the Holyhead Vibrant & Viable Places Regeneration Programme and agreeing outcomes with Welsh Government
- Develop a robust understanding of all Isle of Anglesey County Council assets and services that could be transferred / outsourced to partner organisations

**What we did**

- We developed several physical regeneration related business cases and feasibility studies which included:
  - Llangefni Link Road
  - Anglesey Infrastructure Improvement Plan
  - Llangefni Walking & Cycling
  - Business Centre Extension
  - Sites & Premises (Phase 2)
  - Physical Regeneration Activities
- We spent £2M of the Vibrant & Viable Places (VVP) budget on regeneration and housing projects in the Holyhead area
- We transferred the running of the Llangefni Golf Course to a Social Enterprise (Partneriaeth Llangefni) until April 2017, with further consideration to its longer term future to be agreed at a later date

- We have progressed work to identify potential options for Oriel Môn & Beaumaris Goal and will be consulting on the options during 2015/16
- Wales Co-operative have been appointed as consultants to look at some elements of our Social Services that could be outsourced or transferred to partner organisations

## PERFORMANCE INFORMATION FOR ECONOMIC & COMMUNITY REGENERATION

There are no Performance Indicators for Economic & Community Regeneration

### What Service Users are saying about Economic & Community Regeneration:

*"I would like to take this opportunity to thank you for taking part in the Business Fair. The session was a great success with the students gaining valuable insight into the effects of the recession on local businesses. They enjoyed every aspect of the session immensely"*

*"On behalf of everyone who was involved with our Scubafest event last weekend I would like to thank you for your kind assistance in enabling our event to go ahead. Overall it was a great success"*

*"Thanks for such good service, makes the local council here at home look even worse"*

*"Just a message to say a massive thank you to yourself for being so very accommodating for the time that we were in Red Wharf Bay. The shoot was really brilliant. We would like to include an official thank you to the Maritime office in the end credits"*

*"We chose to spend a week of our summer holiday, this year, on Anglesey and were pleasantly surprised to find more notices about where dogs and their owners can and cannot go, on the beaches. Llanddwyn (Newborough), Trearddur Bay and another blue flag beach further up the coast, all seemed to be well managed this year"*

*"I write to convey a big thank you for your invitation to attend the Queen's Baton Relay (OBR) last Thursday at the Beaumaris Green. The event was a great success and, while Snowdon often eclipses such events in North Wales, it was important that the QBR came to Anglesey"*

*"I just wanted to send you a short note to say thanks for all your help when I were both extremely kind, patient an very professional"*

*"I just wanted to convey my thanks and appreciation to all of the staff who were on Reception on the day of our meeting (Tuesday 25th June) for the North Wales Financial Capability Forum."*

*"Well done to everyone who has worked to achieve this-great example of partnership working"*

## Improve Education, Skills and Modernise our Schools

The Council wants every child, every young person, every learner, wherever they are, irrespective of background and circumstance to achieve their full potential and be prepared to play an active role as future responsible citizens and community champions. In order to realise this, and to contribute to the Welsh Government's ambitious vision for education in Wales, we must raise the standard of education on Anglesey. In this respect an accepted priority for the Council was to challenge current thinking, encourage innovation and develop a school infrastructure that will drive up standards of teaching and attainment, reduce surplus places, improve educational outcomes for children and young people and be responsive to our socio-economic and community improvement programme.

### How did we do this in 2014/15?

**Our Promise: Continue to raise the standards in educational attainment rates and attendance by**

#### What we said we would do

- Applying the Partnership Agreement consistently and target support and challenge for specific schools to ensure that they are accountable for improvements and make suitable use of all available data to agree challenging targets for all primary and secondary schools
- Ensuring that all schools are clear on the actions to be taken to increase the level of challenge to more able and talented learners
- Revising processes to standardise end of Foundation Phase and KS2 assessments in primary schools
- Ensuring that all schools have appropriate plans in place to make effective use of reading age data and knowledge of effective practice to improve reading standards, and that the Authority makes effective use of reading age data to challenge individual schools
- Developing the Scrutiny Committee's role in Education and 'schools causing concern', and ensuring that Governing Bodies fulfil their statutory functions in relation to acting as a critical friend to challenge Head teachers

#### What we did

- We utilised the new National Categorisation Model to revise school categories and ensured that all schools are aware of new categorisation and implications for the level of support and challenge to be instigated as a result.
- We agreed targets for all schools as part of termly Monitoring and Challenge visits
- Ambitious targets for individual pupils were revised in line with a new target-setting process

that was implemented during 2014/15

- We now centrally collate school targets for performance at expected level and also above expected level
- Steps have been introduced to ensure that catchment area schools, in addition to internal arrangements and good practice school to school support, were allocated specific opportunities to standardise pieces of pupil work to improve common understanding of what constitutes characteristics of performance at different levels
- We provided full co-operation and supplementary guidance to schools on moderation requirements being implemented for 2015
  - We contributed fully to regional arrangements by:
  - Allocating resources to provide a common regional approach via outstanding teacher/assistant partner approach
  - Supporting the development of a regional literacy strategy during its development by GwE (the regional school effectiveness & improvement service for North Wales)
  - Analysing National reading test data at Local Authority level as part of performance analysis and then used it to challenge individual schools
- We made good progress in developing the role of those elected members nominated to act as the recently set up School Progress Review Group
- We met with Head Teachers and Chair of Governors of primary and secondary schools to consider the schools' performance
- Improvement panels were established, inclusive of members of Governing Bodies, for schools in inspection follow up stages

**Our Promise: Develop and agree a school modernisation strategy to guide long term decisions which will include opening our special needs school – Canolfan y Bont and the provision of 2 new area primary schools by**

**What we said we would do**

- Develop, consult and adopt a comprehensive and ambitious Schools' Modernisation Programme
- Officially open Canolfan Addysg y Bont on May 15<sup>th</sup> 2014
- Organise consultation events for new area schools in the Llannau (Llanfachraeth, Llanfaethlu and Llanrhuddlad ) and Holyhead areas during the year, and submit full strategic outline cases for approval by the Executive and Welsh Government in order to progress

### What we did

- We discussed and adopted Modernisation Programmes for schools within the Llannau and Holyhead Areas
- We thoroughly consulted on the Modernisation Programmes with the Llannau and Holyhead Area Schools
- We also submitted Strategic Outline Cases for both the Llannau and Holyhead Areas
- Huw Lewis AM officially opened Canolfan Y Bont on the 14<sup>th</sup> May 2014

### Our Promise: Adopt and deliver a regional skills strategy which enables Anglesey and North Wales to up-skill its workforce and align itself with future opportunities by

#### What we said we would do

- Aligning the 14-19 skills agenda with emerging employment opportunities and the Regional Skills development strategy and ensuring that literacy and numeracy are given due attention at all key stages

#### What we did

- We made good progress in developing an education and skills strategy for the area. The Energy Island Skills Group has facilitated a partnership approach between Education, Grwp Llandrillo/Menai, Bangor University and others - working together to identify the key issues that need to be addressed if young people are to acquire the necessary skills for being active in the workforce
- We also made a significant contribution through specific projects such as Cwmni Prentis Menai to equip young people with the necessary skills for employment

## Performance Information for Education

The results of relevant Performance Indicators (PI) for Education are outlined in Table 5 (below) and analyses both the result for 2014/15 (Academic Year 2013/14) against the previous year and the quartile position of each PI.

<b>Table 5</b>	2013/14	2014/15	Yr on Yr Trend	Quartile 14/15
PI Description				
EDU/002i: The percentage of all pupils (including those in LA care) in any local authority	0.00	0.3	↓	Lower Median



maintained school, aged 15 as at the preceding 31 August who leave education, training or work based learning without an approved external qualification				
EDU/002ii: The percentage of pupils in local authority care in any local authority maintained school, aged 15 as at the preceding 31 August who leave compulsory education, training or work based learning without an approved external qualification	0.00	14.3	↓	Lower
EDU/003: The percentage of pupils assessed at the end of Key Stage 2, in schools maintained by the local authority, achieving the Core Subject Indicator, as determined by Teacher Assessment	87.98	87.8	↓	Upper Median
EDU/004: The percentage of pupils assessed at the end of Key Stage 3, in schools maintained by the local authority, achieving the Core Subject Indicator, as determined by Teacher Assessment	81.46	83.6	↑	Upper Median
EDU/006ii: The percentage of pupils assessed, in schools maintained by the local authority, receiving a Teacher Assessment in Welsh (first language) at the end of Key Stage 3	61.75	67.2	↑	Upper
EDU/011: The average point score for pupils aged 15 at the preceding 31 August, in schools maintained by the local authority	593.55	598.3	↑	Upper
EDU/015a: The percentage of final statements of special education need issued within 26 weeks including exceptions	59.09	38.5	↓	Lower
EDU/015b: The percentage of final statements of special education need issued within 26 weeks excluding exceptions	100.00	84.6	↓	Lower
EDU/016a: Percentage of pupil attendance in primary schools	94.41	94.6	↑	Lower Median

EDU/016b: Percentage of pupil attendance in secondary schools	93.24	93.4	↑	Lower Median
EDU/017: The percentage of pupils ages 15 at the preceding 31st August, in schools maintained by the local authority who achieved the level 2 threshold including a GCSE grade A*-C in English or Welsh first language and mathematics	54.20	53.8	↓	Lower Median

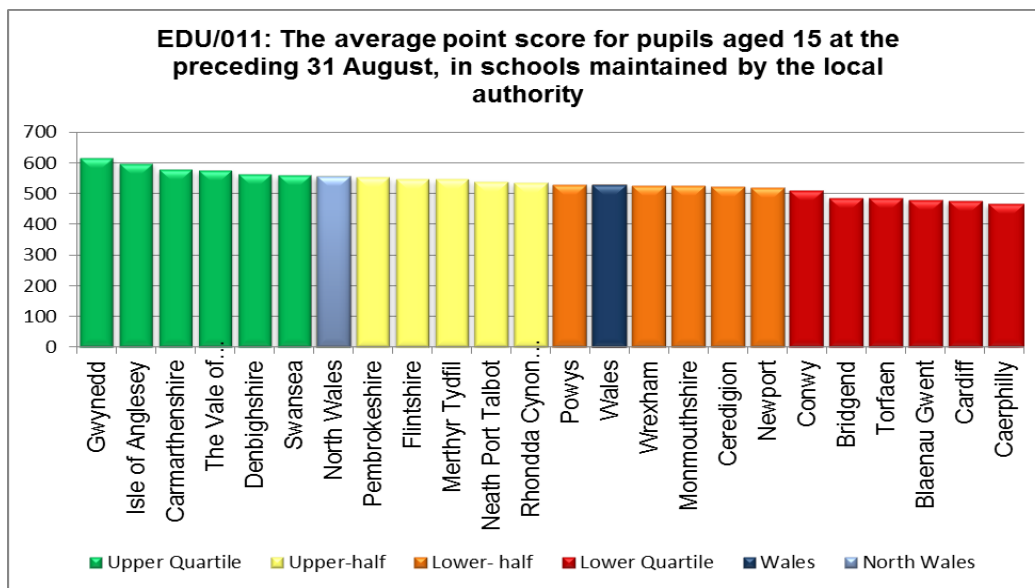
In terms of Education PIs, the overall picture is mixed, but shows an overall decline in performance across the 11 relevant PIs between 2013/14 and 2014/15- which we are aware of and were expecting. There were eight PIs in the top Quartile in 2013/14 whilst this year there is only two. We are pleased that EDU/011: The average point score for pupils aged 15 at the preceding 31 August, in schools maintained by the local authority sees us retain our position within the top two authorities in Wales (Table 6)

As a small Local Authority in terms of overall population (as compared to most other local authority areas in Wales) we are aware that small baseline and core figures for some of our PIs can usually lead to quite volatile fluctuations. An example of this can be found in Education. For example we were ranked 1st throughout Wales in 2013/14 for the PI that looks at the percentage of pupils in local authority care who leave compulsory education, training or work based learning without an approved external qualification. However, in 2014/15 we were the last in Wales (22nd out of 22 Authorities) a result which equates to changes within single figures between the two years (Table 7).

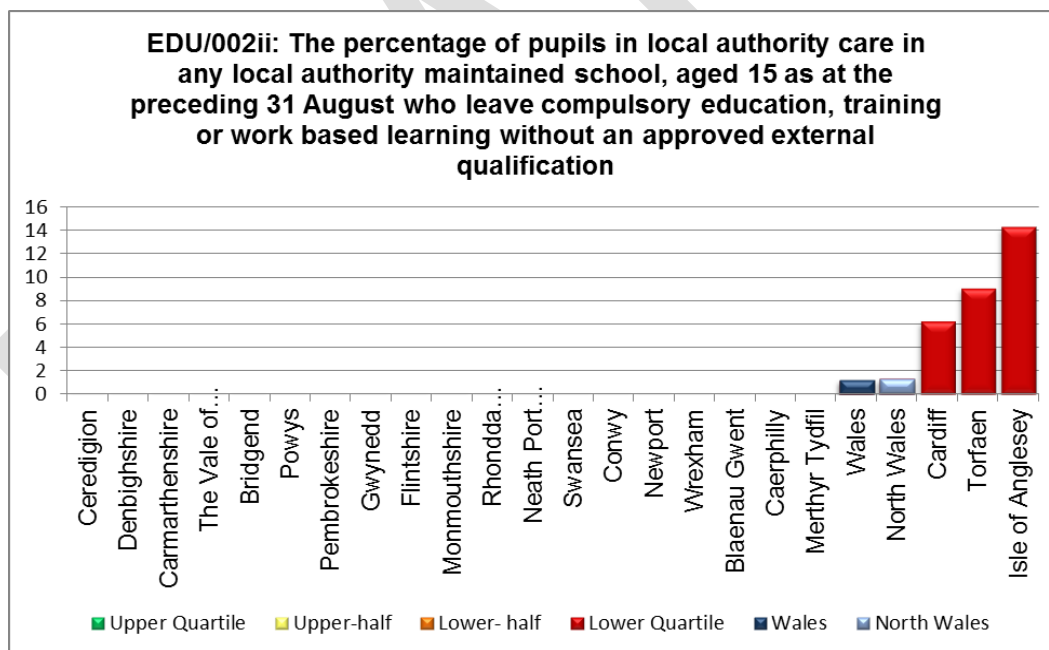
There has been a decline in the PI which shows the percentage of final statements of special education need issued within 26 weeks excluding exceptions, from 100% in 2013/14 to 84.6% in 2014/15, and from top quartile to bottom quartile respectively (Table 8)

Another example where small fluctuations can lead to quite dramatic quartile changes can be seen in Table 9 – where moving from 94.4% in 2013/14 to 94.6% in 2014/15 also means moving from the top quartile to the lower half quartile respectively- despite a slight increase in performance in the PI itself.

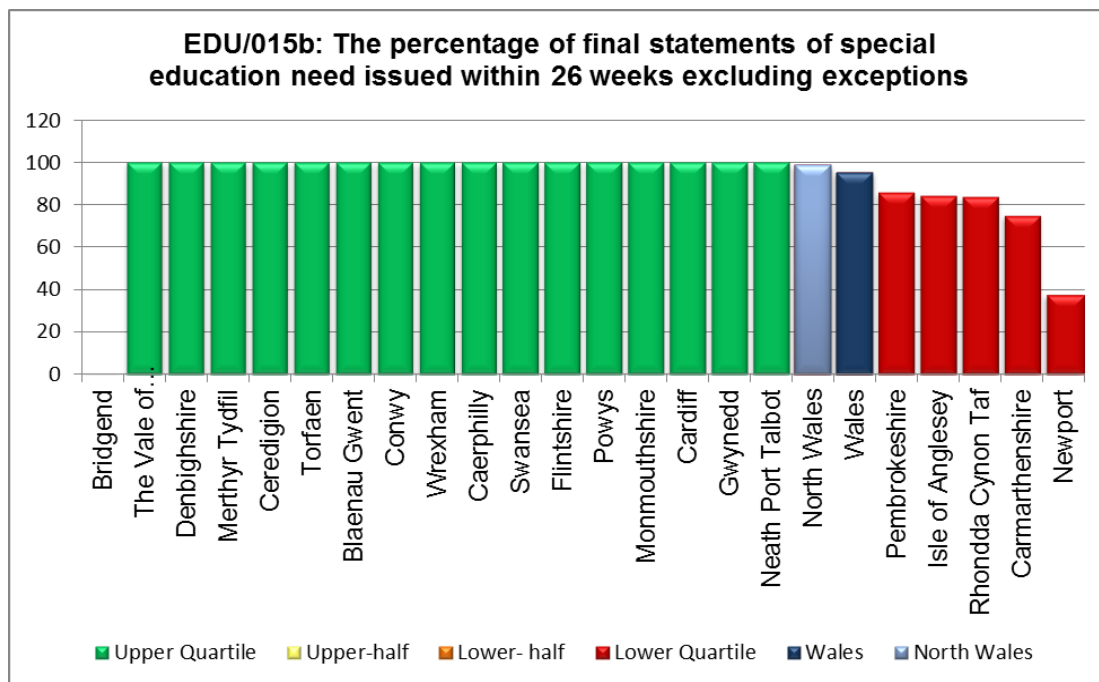
**Table 6**



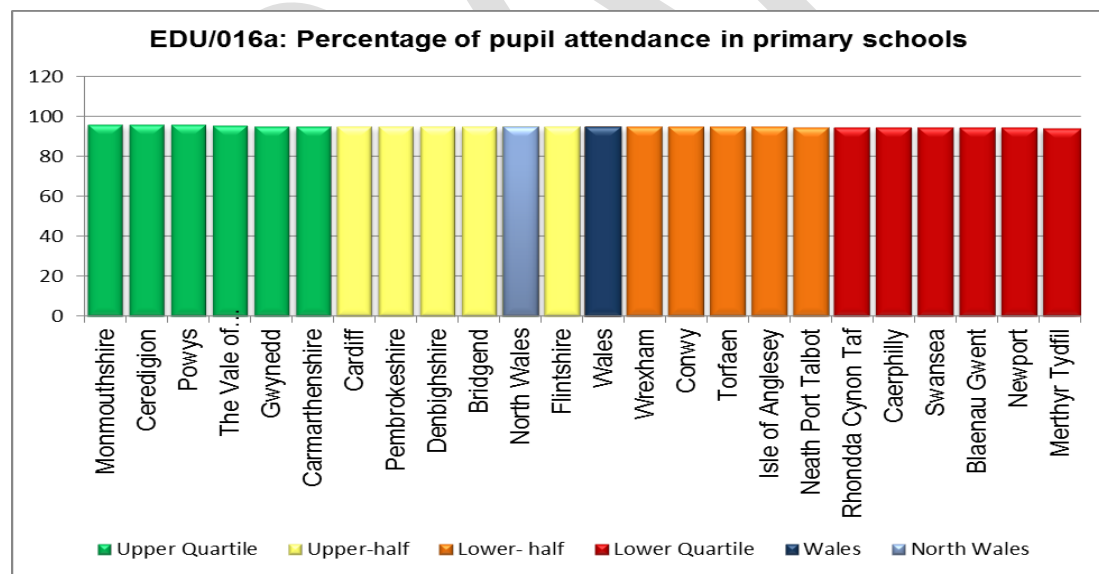
**Table 7**



**Table 8**



**Table 9**



## We increase Our Housing Options & Reduce Poverty

Quality and affordable accommodation is important to ensure that all our citizens live in a safe and appropriate home that allows them to find jobs, access leisure amenities, education and to gain associated social and economic benefits that they both desire and deserve. With major global energy companies working towards a significant investment in Anglesey we will continue to work with landlords in the social and private sector to maximise the number and quality of homes for contractors. We said we would continue our efforts to develop the housing market for local people with particular emphasis being placed on working with partners to plan, develop and establish a greater number of affordable housing options for our citizens.

**How did we do this during 2014/15 -**

**Our Promise: Work with partners to modernise and co-ordinate the benefits advice service so as to improve independence and work towards our anti-poverty strategy and mitigate the effects of welfare reform by:**

### What we said we would do

- Tackle poverty on Anglesey by developing an Anti-Poverty Strategy with partner agencies under the directive of the Local Service Board
- Establish dedicated Welfare Reform pages on Council website and publish information leaflets on managing budgets for first time tenants (tenure neutral) to raise awareness of the support available to those in need on Anglesey
- Achieve 75% successful applications for Discretionary Assistance Fund who are supported and signposted by the Local Authority

### What we did

- We have mechanisms in place to measure the impact of the Bedroom Tax, including joining the Housemark Benchmarking club
- We Co-located Discretionary Assistance Fund and Discretionary Housing Payment officers with Môn Communities First, to offer support to vulnerable citizens in need of hardship funds
- In partnership we established the Anglesey and Gwynedd joint Financial and Digital Inclusion Forum
- We contacted 100% of claimants to ensure they understand the impact of the Benefits Cap
- We also established Welfare Reform specific pages on Council website linked with Money

Advice Service to offer automatic updates to ensure accurate up to date information at all times. The new webpage has seen an increase in visits with over 8,950 page views in the last 6 months of the year compared with 6,012 during the first 6 months.

- Designed and printed a range of Leaflets and posters on:
  - Free School Meals
  - Understanding your Benefits booklet
  - Pre-tenancy booklet
  - Saving for Universal Credit
  - Applying for Universal Credit
  - Tenant newsletter
- All our staff have been fully trained to deal with Welfare Reform
- We have successfully supported and signposted 86% of applications for Discretionary Allowance Fund

**Our Promise: Increase the affordable housing options island wide and bring empty homes back into use by**

**What we said we would do**

- Bring 75 Empty properties back into use via action by Local Authority

**What we did**

- We brought 109 empty properties back into use in communities and locations across Anglesey

**Our Promise: Explore options to support young people to enter the housing market by**

**What we said we would do**

- Assist applicants in taking up first time buyer grants for empty properties and Anglesey Home Buy purchases
- Increasing the number of applicants for affordable housing registered with Tai Teg

**What we did**

- We helped 22 first time buyers through the application process, who subsequently had grants approved

- We achieved 7 Anglesey Homebuy purchases
- We recently undertook a marketing campaign using social media on Tai Teg which contributed towards 325 registrations for Anglesey by end of March 2015

**Our Promise: Work with partners to support apprenticeship opportunities for young people by**

**What we said we would do**

- Explore the possibility for contractors to offer apprenticeships and/or training opportunities for local people

**What we did**

- Worked with Môn Communities First to develop Community Benefits, and included Community Benefits in all Vibrant and Viable Places Contracts from Homes theme with all HRA Capital schemes over £500k measured via Value Wales toolkit

**Our Promise: Support those at risk of becoming homeless and homeless individuals to find permanent homes by:**

**What we said we would do**

- Increase in the Number of landlords with accreditation status to provide good quality homes and management
- Build 23 new affordable homes
- Establish a comprehensive database of landlords operating on the island
- Increase number of landlords who have accepted incentives to provide accommodation to clients referred by the Housing Services

**What we did**

- We pro-actively worked with Private Landlords to increase the number of Landlords with Accreditation status on the Island. We jointly arranged four courses with Landlord Accreditation Wales where a total of 83 new Landlords (out of a total of 123 accredited landlords) have gained accreditation status on the Island during this period
- 43 new affordable homes were created in Llangefni, Holyhead, Amlwch and Dwyran
- We successfully identified 98 new landlords, previously unknown to the Council ensuring we

have a comprehensive list of landlords operating on the Island

- We assisted 8 homeless households to obtain accommodation in the private sector during 2014/15 with the aid of financial incentives and support around tenancy set-up

## Performance Information for Housing

The results of relevant Performance Indicators (PI) for Housing are outlined in Table 10 (below) and analyses both the result for 2014/15 against the previous year and the quartile position of each PI.

<b>Table 10</b>	2013/14	2014/15	Yr on Yr Trend	Quartile 14/15
PSR/002: The average number of calendar days taken to deliver a Disabled Facilities Grant	213.11	229	↓	Upper Median
PSR/004: The percentage of private sector dwellings that had been vacant for more than 6 months at 1 April that were returned to occupation during the year through direct action by the local authority	11.98	13.15	↑	Upper Median
PLA/006b: The number of additional affordable housing units provided during the year as a percentage of all additional housing units provided during the year	83.97	39	↓	Upper Median

There are now only two directly comparable PIs for Housing, and both are related to Private Sector Renewal. We are within the upper middle quartile and around the Wales average for both these PIs although both have declined slightly in either performance or position from 2013/14 (Table 11 & 12)



Table 11

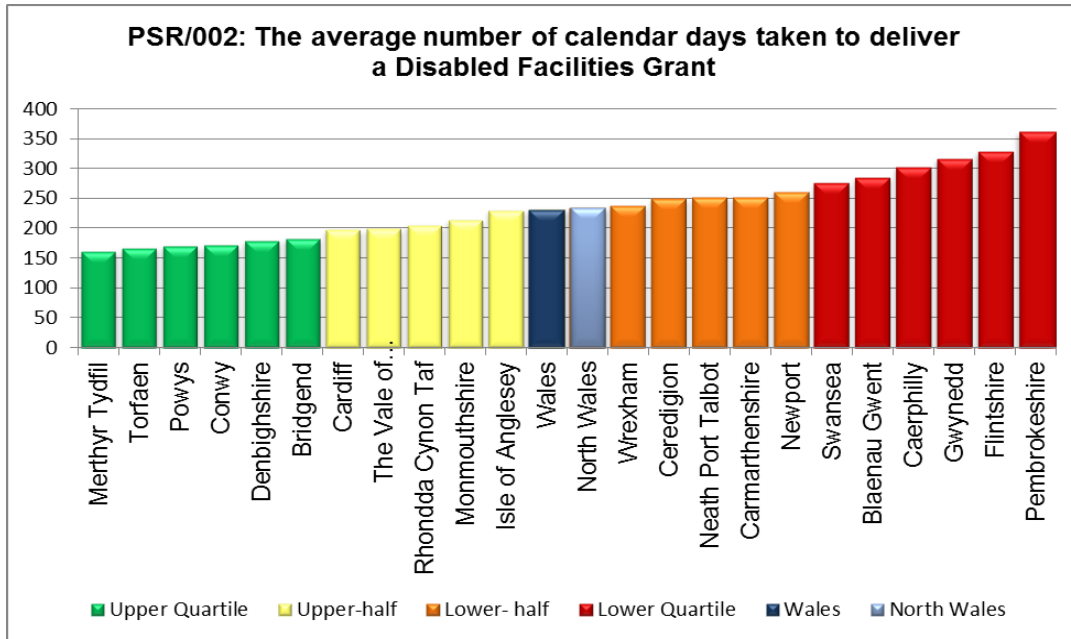
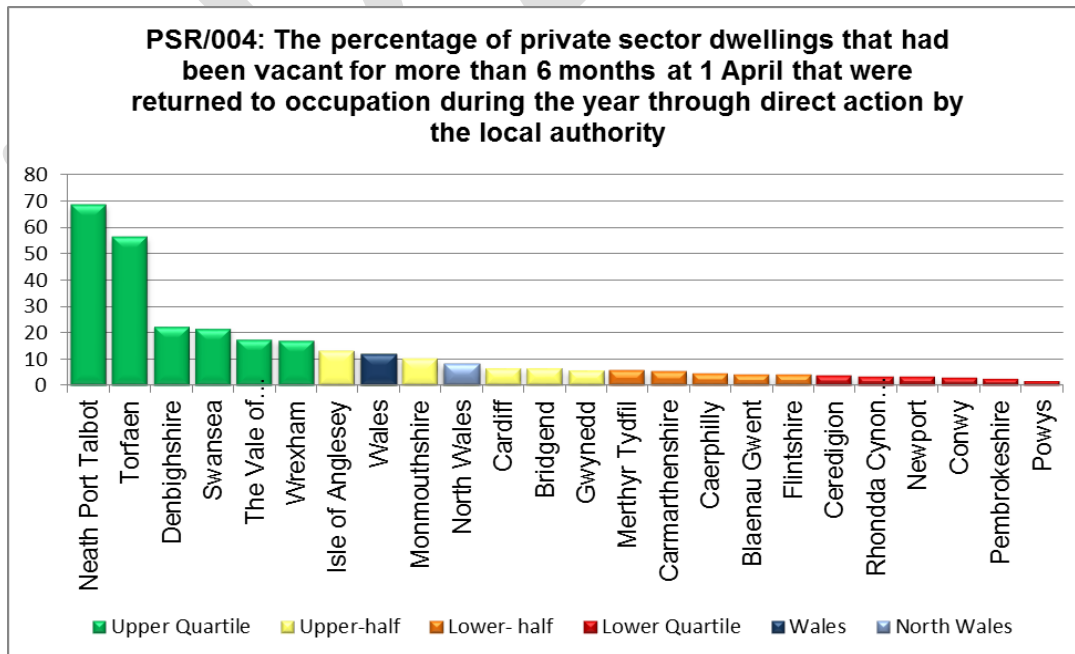
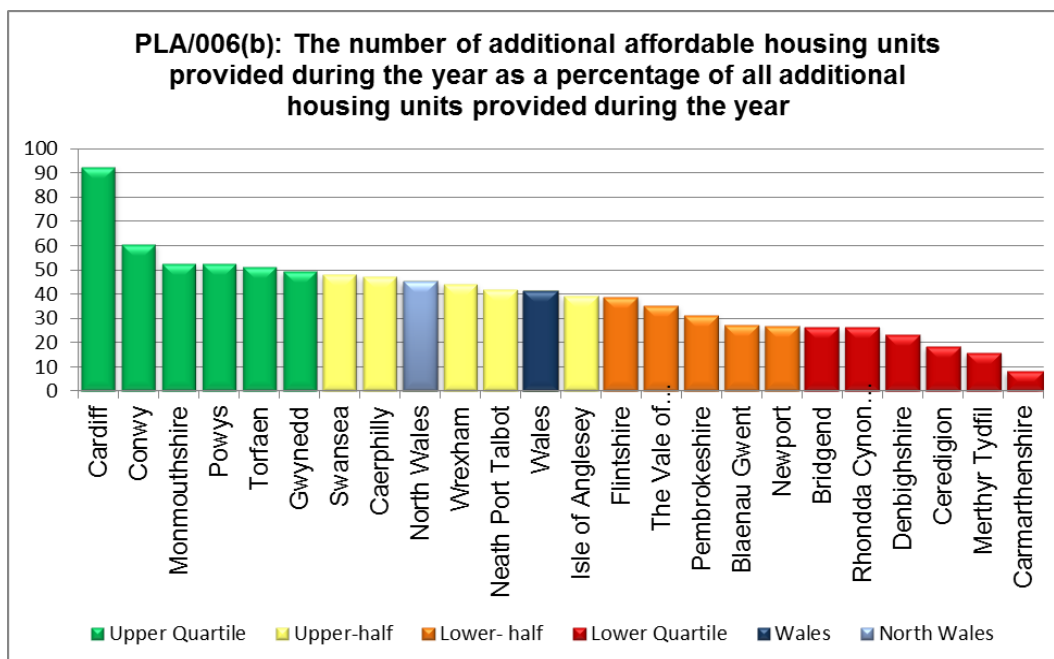


Table 12



Whilst not a Housing but a Planning PI (Table 13) this still relates to the corporate plan objective of supplying affordable housing and shows that we are just below the Welsh average, having moved from 3<sup>rd</sup> to 11<sup>th</sup> position between 2013/14 and 2014/15.

**Table 13**



**What Service Users are saying about Housing Services?**

*“I did not know about the Housing Support services before the community hub – I am now having help with my bills and reporting repairs”*

*“I am very happy living here (Llandona), it is a safe area with nice neighbours”*

\*More info to be supplied

## Transform our Leisure & Library Provision

We have acknowledged that Sport and leisure facilities play a significant part in the health of the community and in increasing the self-confidence of people. We are working towards adopting a more integrated approach to wellbeing in the future which would enable the role of sport and leisure to be reviewed and re-defined. As the role of community and other groups increase in its provision, we aspire to ensure that our leisure offer is fit-for-purpose and delivering the best value for money possible as we seek to improve the health and wellbeing of our citizens.

We also indicated our wish to have a presence at the heart of communities with our library provision which meant more partnership working and shared premises, to give local people improved, simplified and seamless access to the information and services they need.

### How did we do this in 2014/15?

**Our Promise: Develop and implement a medium term leisure strategy to guide decision making which will decrease the need for council investment over the life of this plan by**

#### What we said we would do

- Develop a long term Leisure Strategy and effectively manage the facilities and provision of activities at Amlwch, Holyhead and Llangefni Leisure Centres to encourage Anglesey's residents to be more active, more often
- Increase attendances and participation at Leisure Centres and subsequent income generation through the introduction of a modern Leisure activity booking and payment system
- Improve marketing and promotion to encourage increased participation at existing outreach activities to increase attendances and improve participation

#### What we did

- Our Leisure Plan was adopted by the Executive in February 2014. The plan focusses on our need to take a more commercial approach to improve, modernise and safeguard our leisure provision
- Our total attendance and participation at Anglesey Leisure Centres for 2014-2015 was 502k, down by 20k mainly due to improvement works at our Centres
- We managed to increase income at our Leisure Centres by £86k compared to the previous year
- We modernised our Leisure Centres by introducing the ability to pay by card

- We refurbished, modernised facilities (sports hall, pool changing rooms and fitness room) at Holyhead Leisure Centre
- Our outreach activities were further enhanced and attendances and participation increased to 144k, 42k more than our target for the year

**Our Promise: Interlink our indoor sports hall type facilities with our secondary school provision and explore with external community providers to run the facilities in the evening, weekends and school holidays by**

**What we said we would do**

- Consider and progress alternative service delivery models for facilities as part of developing the long term Leisure Strategy

**What we did**

- We undertook a comprehensive Options Appraisal as part of our Leisure Plan and have decided that the best way to improve our Leisure facilities was to become more commercial and at present not interlink with our secondary school provision

**Our Promise: Encourage to develop and support the provision of sport and leisure activities within communities, by communities by**

**What we said we would do**

- Consider and progressing alternative service delivery models for facilities and capitalise upon the island's natural environment to deliver outdoor activity opportunities
- Outsource a number of outdoor/ community facilities in Holyhead
- Establish a Programme to increase participation in outdoor pursuits
- Identify new service delivery model for Llangefni Golf Course

**What we did**

- We started the process for outsourcing of outdoor facilities to secure the future of the facilities (e.g. Trearddur Bay Playing Fields)
- We increased the number of participants in outdoor pursuits to 6.5k
- We transferred the running of the Llangefni Golf Course to a Social Enterprise (Partneriaeth Llangefni) until April 2017, with further consideration to its longer term future to be agreed at a later date

<b>Our Promise: Explore options and implement a revised Library provision model by</b>
<b>What we said we would do</b>
<ul style="list-style-type: none"> <li>Establish and evaluate possible options for maintaining a future sustainable Library Service by planning and agreeing on a suitable model which best suits the needs of Anglesey residents within the available resources</li> </ul>
<b>What we did</b>
<ul style="list-style-type: none"> <li>We worked on the possible options on the preferred Library Service model and will be consulting on those options in 2015/16</li> </ul>

<b>Our Promise: Explore options surrounding the delivery of our cultural heritage sites and implement (if applicable) new management arrangements by</b>
<b>What we said we would do</b>
<ul style="list-style-type: none"> <li>Assess the best possible options for future management and promotion of all our Heritage Sites</li> </ul>
<b>What we did</b>
<ul style="list-style-type: none"> <li>We worked on the possible options on the future Culture Service and will be consulting on those options in 2015/16</li> </ul>

## Performance Information for Leisure and Libraries

The only PI for Leisure, which looks at the number of visits to leisure Centres during 2014/15 (Table 15) has seen a small decline from 8,767 visits in 2013/14 to 8,434 in 2014/15 – moving us from 10<sup>th</sup> to 11<sup>th</sup> position.

<b>Table 14</b>	2013/14	2014/15	Yr on Yr Trend	Quartile 14/15
PI Description				
LCS/002(b): The number of visits to local authority sport and leisure centres during the year where the visitor will be participating in physical activity, per 1,000 population	8767.29	8434	↓	Lower Median

LCL/001b: The number of visits to Public Libraries during the year, per 1,000 population	4024.47	4166	↑	Lower
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The single PI for Libraries shows that we have increased the number of visits to public libraries from 4,024 to 4,166 per 1,000 population, and from 22<sup>nd</sup> to 19<sup>th</sup> position in 2014/15 respectively

Table 15

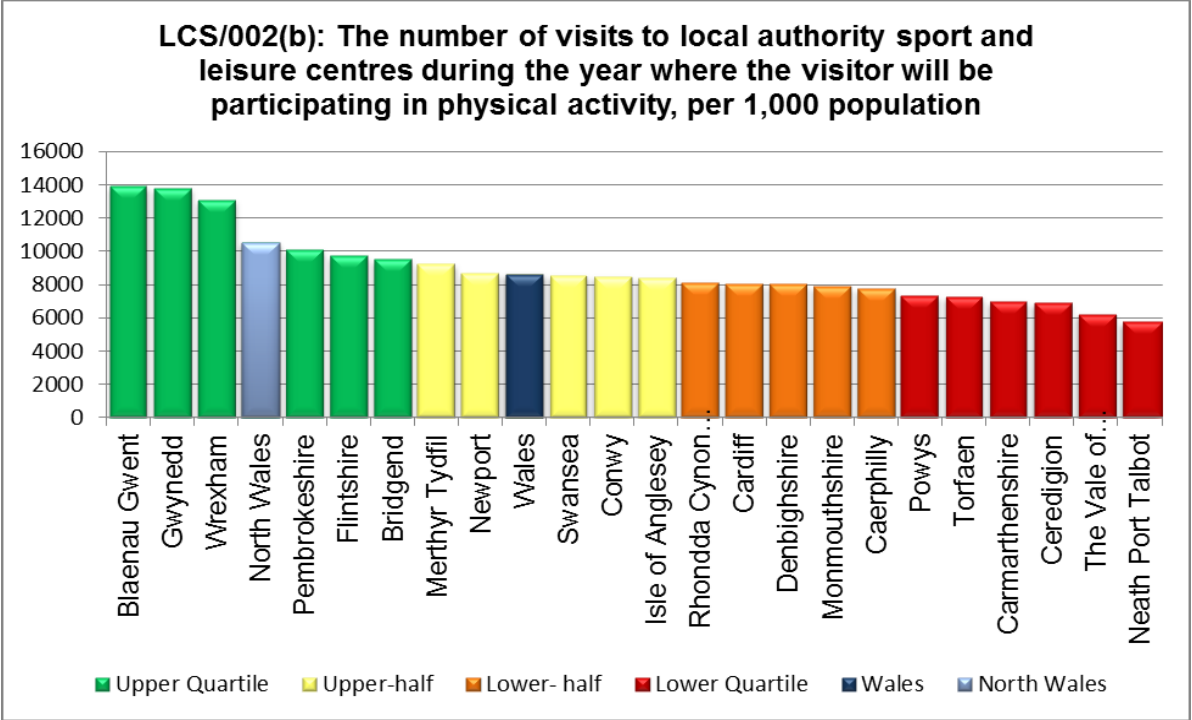
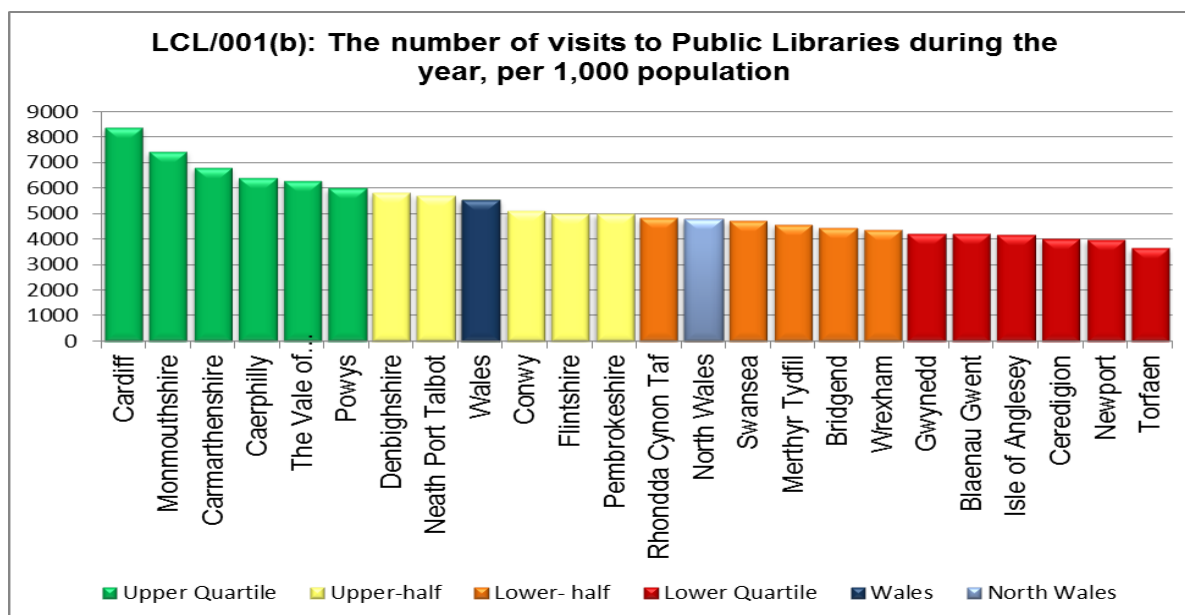


Table 16



**What Service Users are saying about Leisure & Library Services?**

*"The range of activities they provide during the school holidays is exemplary and the baths are maintained to a high standard."*

*"In days where people are quick to complain, it is perhaps incumbent upon those who feel they have been well served to also take the time to express their opinions."*

*"Regarding the swimming lessons provided for the school, teachers wished to praise the centre on 3 points compared to Bangor Pool, which the school previously used: 1. the facility & premises; 2. the staff & their friendly attitude & approach to the pupils and staff; 3. the standard of tuition provided"*

*"My confidence with was at an all-time low when I started on the Introduction to Computers course at Amlwch Library. I was unemployed and felt that I was a technological dinosaur. The support and tailored guidance I received from the tutor there has given me the skills and confidence to apply for jobs. I am now working as a receptionist"*

*"The library story times have been ideal in introducing Welsh to my child and myself. We sing and listen and then take books home to read"*

*"My internet access is hopelessly slow at home but I can take my laptop down to the library and connect to the much faster Wi-Fi and borrow a book too."*

*"Everyone always gets to hear about the complaints about certain services within our community, but I thought I would take the time to send this e mail to thank two ladies from the Holyhead Library who today, Saturday 7th March went the extra mile for me".*

## Becoming Customer, Citizen & Community Focused

We stated that we still have a long way to go on standardising and simplifying processes and through our work with other Councils we envisaged securing further efficiencies in our supporting functions and better resilience for specialist services and scarce skills. We stated that an essential part of transforming our Council will be listening to what our citizens, service users and businesses think – and acting on it. Over the past two years we have demonstrated a real commitment in improved service provision which will only get better. We also said that we would maximise our bilingual communication techniques through the use of social media such as Facebook and Twitter as well as traditional face to face focus groups, citizen panels and public roadshows.

### How did we do this in 2014/15

**Our Promise: Develop, agree and sign up to a robust and valid customer charter which in particular sets out our expectation of staff in dealing with customers**

#### What we said we would do

- Agree and adopt a Customer Charter following formal engagement and consultation exercises
- Work in partnership with Bangor University in order to recruit staff and design and adopt future working practices that best meet the needs of our customers

#### What we did

- We consulted on and adopted Our Customer Service Charter which was formally launched in December 2014. We undertook a pilot within 2 frontline services during January 2015 and plan to roll out to all other services by July 2015
- We also conducted an Options Feasibility Appraisal with Bangor University during the year which indicated that the best option would be to work with an external marketing company subject to agreement on specification and cost



**Our Promise: Develop and strengthen our engagement with and involvement of Anglesey citizens in the Council's decision making and accountability processes ;**

**What we said we would do**

- Support the 4 year "Gwrandewch/Listen" Community Voices Project partnership (commenced April 2013) to increase engagement of individuals and communities of interest in the design and delivery of public services on Anglesey

**What we did**

- We established, in partnership with Medrwn Mon, an Engagement and Consultation Board to drive engagement work. The Board agreed a comprehensive corporate engagement and consultation calendar for the year ahead
- Through our partnerships we secured 'Community Voices' as consultation partners for future years and established a partnership approach to future needs and requirements in and around the Seiriol ward of Anglesey
- Our new efficiency strategy which outlines areas of importance and efficiencies was consulted on with our residents

**Our Promise: 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**

**What we said we would do**

- Explore options around the design of the main Council office building with initial focus given to the reception area with a view to create a multi-functional area based upon the standards proposed within the Customer Charter

**What we did**

- We produced and implemented a Full Business Case (Sept 2014) for the remodelling of the main reception area
- Our longer term aim is to achieve the following:
  - Customers receive a consistent greeting from our staff at the one main reception
  - Customers receive an answer to their (basic) query at the first point of contact – a quicker more satisfying response
  - Customers have access to services through the public access PCs, encouraging the channel shift towards self-service and skills development to access services from locations most convenient to them

- Customers receive support from officers when required to complete forms, benefit claims and book facilities etc
- Customers now have a more consistent and improved quality response to their telephone calls

**Our Promise: Ensure the promotion of the Welsh language and Welsh culture through the implementation of a developed Welsh Language strategy**

**What we said we would do**

- Identify the main priorities for the Welsh Language Strategy through regular meetings of the Welsh Language Forum

**What we did**

- We worked alongside our partners (e.g. Horizon - who have appointed a specific Language Officer) to look at designing and carrying out a baseline study of the Welsh language on Anglesey

**There are no National Performance Indicators for this section**

## Transform our Information and Communication Technologies (ICT)

We stated that in transforming our services, the Council’s resources will be used more efficiently and effectively to achieve targets identified and plan accordingly. We proposed to become a 24/7 organisation by using channels such as websites and social media, methods already being used by our customers to access many of their other personal or business needs such as banking or shopping. This way, our customers could access what they need to, when they need to, wherever they are and in the language they prefer.

All interaction, internal and external, will be enabled electronically. Face to face and other routes will exist, for those who need it. By changing the systems it will free staff up to get on and ‘do their job’ within clear boundaries and using processes which are robust yet agile. Our systems will support our priorities and rigorous rationalisation will ensure that those that do not are no longer used.

### How did we do this in 2014/15?

#### **Our Promise: Enable staff to access the computer systems they need securely from any location**

##### **What we said we would do**

- Implement our Smarter Working Project vision to allow members of staff to carry out their duties in a more agile manner

##### **What we did**

- We completed the first phase of the smarter working project - a project to develop better, more modern services, increase efficiency, lower long term costs - by developing a full Business Case for remodelling the office space to accommodate agile working and also remodelled our administrative workforce

#### **Our Promise: Enable customers and citizens to communicate with the Council electronically over the web at a time and place convenient to them by**

##### **What we said we would do**

- Introducing a strategic ‘next generation Customer Relationship Management System (CRM)’ that allows customers to transact end to end, with little or no officer intervention

**What we did**

- Our Customer Service Excellence project has been looking at the Customer Relationship Management (CRM) issue across the council. We decided to conduct an audit of the functionality of existing systems by identifying gaps and then preparing a business case for the best option to take this agenda forward

**Our Promise: Ensure services use technology more widely to provide more efficient and effective service delivery by****What we said we would do**

- Implementing the Smarter / Agile Working proposal and equip our staff with appropriate mobile devices to be able to discharge their duties in an efficient and effective manner
- Investigating solutions for improved remote, secure access to corporate systems and provide business support in decision making to promote automated services and self-service options when reviewing current IT solutions
- Actively promoting the need to establish interfaces, where possible, between different ICT systems to gain a higher return on current investment and eliminate duplicity and errors and sharing corporate assets whenever possible

**What we did**

- We rolled-out more mobile equipment to staff during the year (e.g. Vasco Keys, Helix and Tablets)
- We have investigated solutions for improved remote access to our systems and hope to roll-out in 2015/16
- We have also established a task to develop a strategic ICT document which outlines the authority's approach to and use of technology to ensure service delivery and secure business improvements

**Our Promise: Seek out and embrace emerging ICT technologies to meet current and future needs of the Council and the Island's citizens by****What we said we would do**

- Develop and deliver a robust backup solution to support the business critical IT systems

which will under-pin the Authority's transformation

- Develop and deploy e-forms through the Authority's corporate web site to enable the citizens of Anglesey, business partners and the wider community, to communicate access and retrieve data during and outside of normal business hours
- Support the improvement of both mobile and fast broadband network connectivity for Anglesey citizens

#### **What we did**

- We implemented a project to agree the specification for a fully functioning integrated bilingual payroll and HR system
  - Payroll System Specification (Jan 2015)
  - HR System Specification (Aug 2014)
- We converted 26 paper forms to electronic forms through assistance from the Go-Wales graduate scheme, all of which are now on our website
- We also developed bilingual online forms through FIRMSTEP (a platform to enhance citizen interactions, improve efficiency, and save costs by moving services online)
- Our schools now have faster broadband having utilised Welsh Government grant aid
- We worked with network providers to get best possible deal in terms of phone coverage and costs for 3G/4G for Anglesey

**There are no National Performance Indicators for this section**

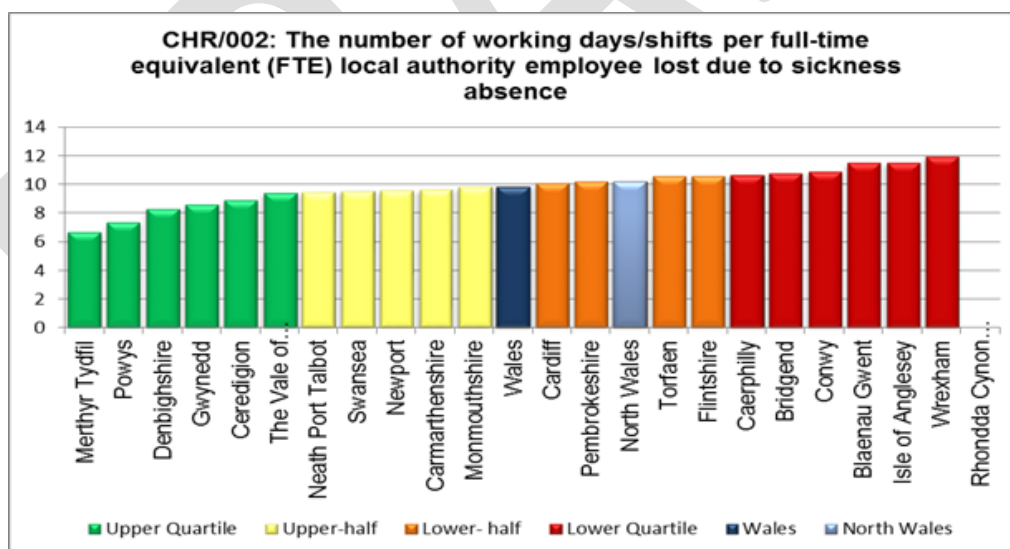
## Corporate Performance

This is the second year since the Council adopted the Corporate Scorecard – a method which looks at how we are delivering on both our corporate priorities and monitors the corporate health type indicators that underpin all the council’s work. The final scorecard for 2014/15 looks at the year end data for the 2014/15 financial year, and portrays the position of the Council against its operational objectives for the year.

It demonstrates that the continuous improvement agenda which the current Administration has established is being realised in that –

- Staff sickness rates has improved slightly - end of year data shows 3,886.81 days which is an improvement again from the same period last year (4,446.54 days) taking our overall short term sickness to 12,777 days sickness, an improvement of near 3,500 days sickness compared to 13/14 (16,272 days). We acknowledge however that we still have a lot to do to compare favourably with most other LAs in Wales. (as indicated in Table 17 below where we are 20<sup>th</sup> out of 22 LAs)

**Table 17**



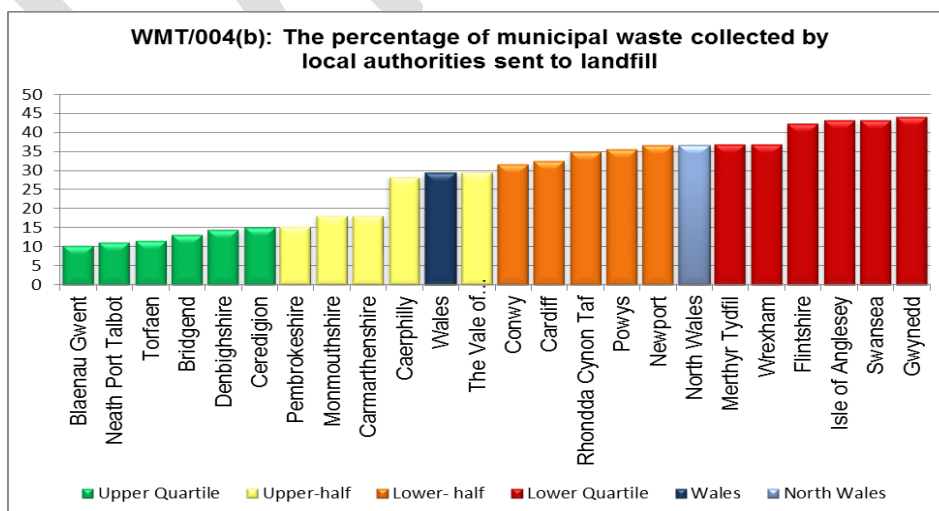
- The adherence to policies and management of sickness via the completion of return to work interviews (RTWs) are improving – with Quarter 4 data showing 85% RTWs undertaken during 2014/15 as opposed to 77% for the same time in 2013/14
- Stress related sickness has decreased
- The number of concerns raised and the number of referrals to the ombudsman has decreased- by the end of the year 65 formal complaints were received. 61 of the 65 received a response and of these complaints 5 were upheld in full, 11 were partially upheld whilst the remaining 45 were not upheld. The final figure of 65 complaints is the same as it was for 13/14. In addition, a total of 90.8% of complaints were responded to within timescale with only 6 late responses.
- Performance targets have been reached in the majority of indicators with 20 out of 27 indicators seeing an improvement

### OTHER PERFORMANCE INDICATORS (Non-Corporate Plan PIs)

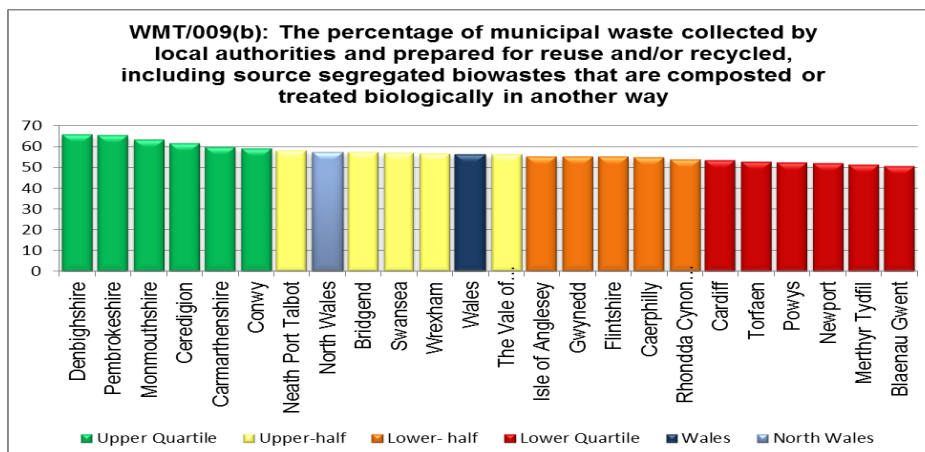
Looking at other PIs not directly linked to our Corporate Plan priorities we are aware that performance has declined in one area where we were the best in Wales for a number of years (waste management). The PI for waste sent to landfill moved from the lower middle quartile to the lower quartile between 2012/13 and 2013/14 and has further declined within the lower quartile between 2013/14 and 2014/15 – from 17<sup>th</sup> to 20<sup>th</sup> position (out of 22 Local Authorities). Municipal waste collected and reused or recycled which moved from the top quartile to the lower middle quartile during 2013/14 remains fairly steady, moving from 13<sup>th</sup> to 12<sup>th</sup> position in 2014/15. See Tales 18 and 19.

### HIGHWAYS & WASTE MANAGEMENT

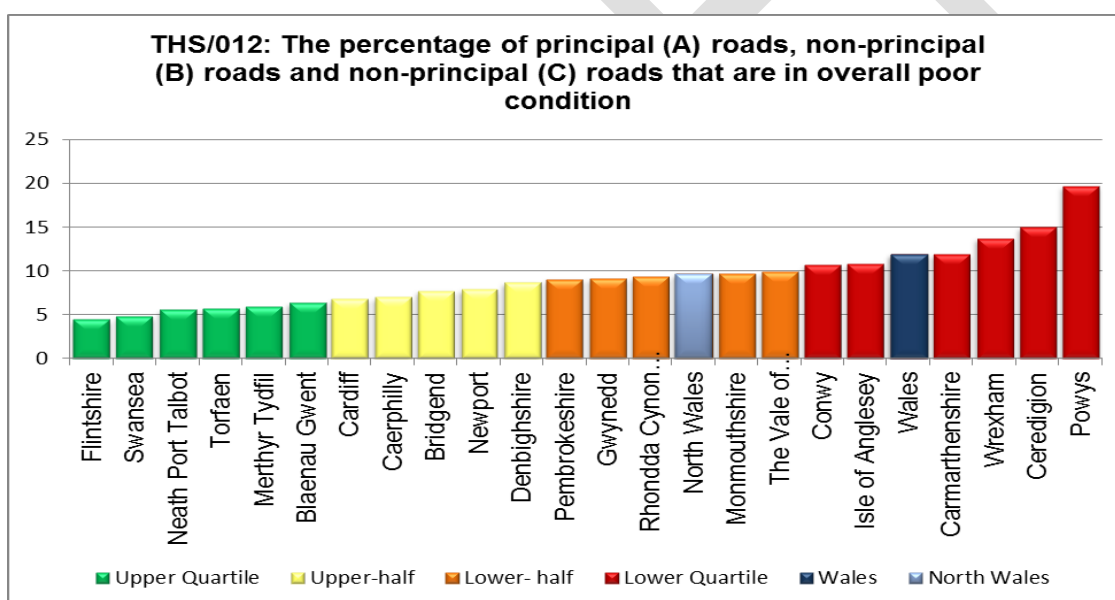
Table 18



**Table 19**



**Table 20**

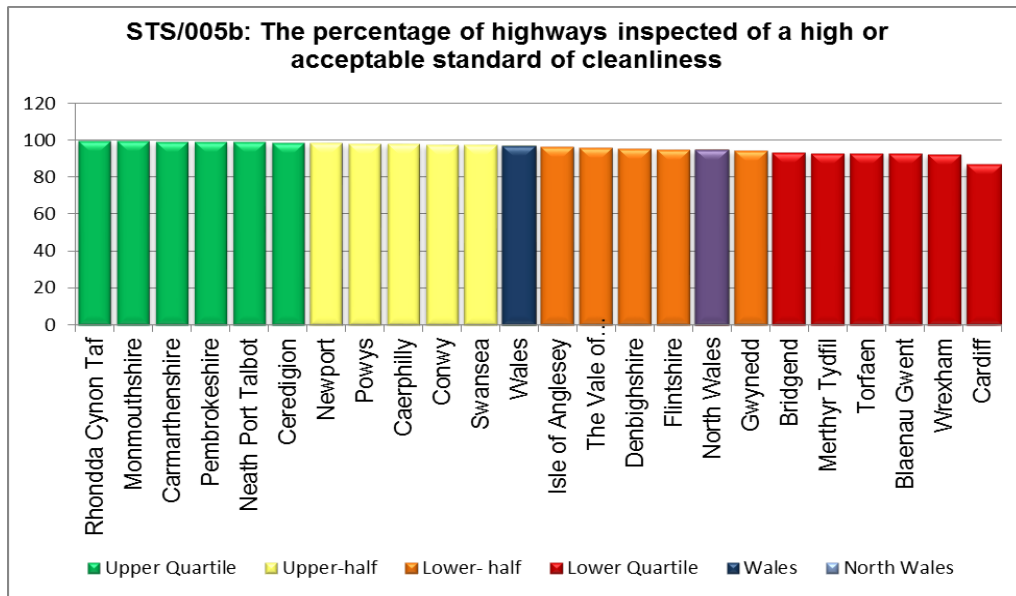


However, we are aware that a main Highways PI needs to be monitored and addressed – with Anglesey’s position slipping down from 17<sup>th</sup> to 18<sup>th</sup> position between 2013/14 and 2014/15 in relation to the condition of non-principal roads (Table 20).

In terms of Street scene (cleanliness of roads etc.) the two relevant PIs remain within the lower middle quartile but have shown a slight improvement in position between 2013/14 and 2014/15. Table 21 shows one of these PIs which relates to fly tipping.



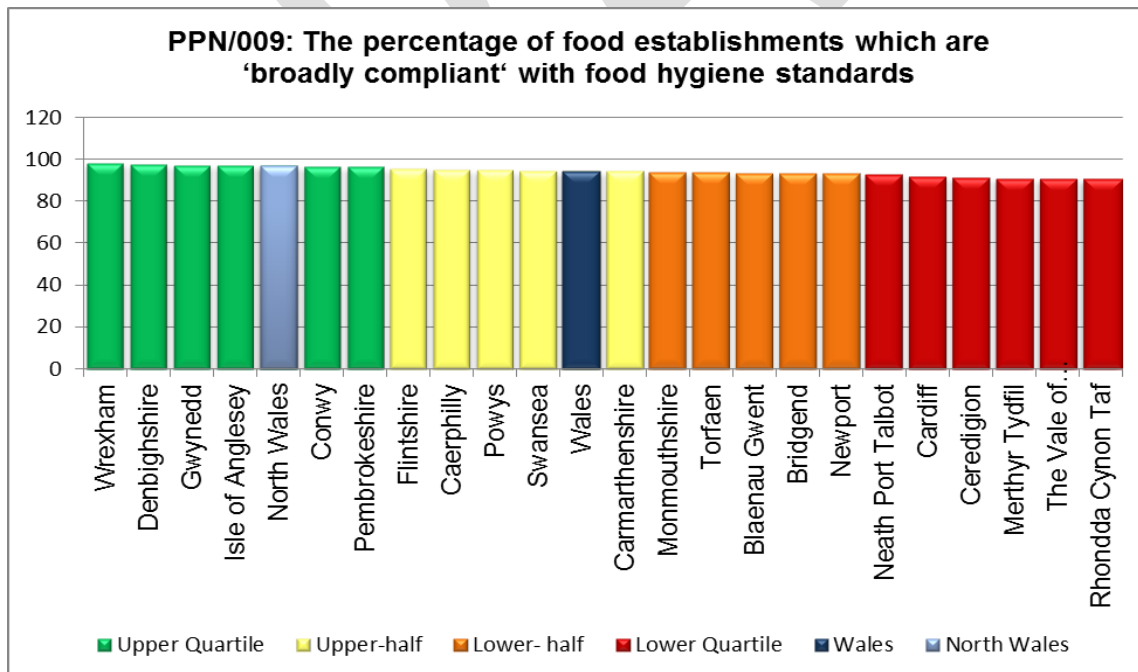
Table 21



**PUBLIC PROTECTION**

In Table 22, we can see that we are performing well in relation to issues of public protection, being the 4th best in Wales for food establishments' compliance with hygiene standards.

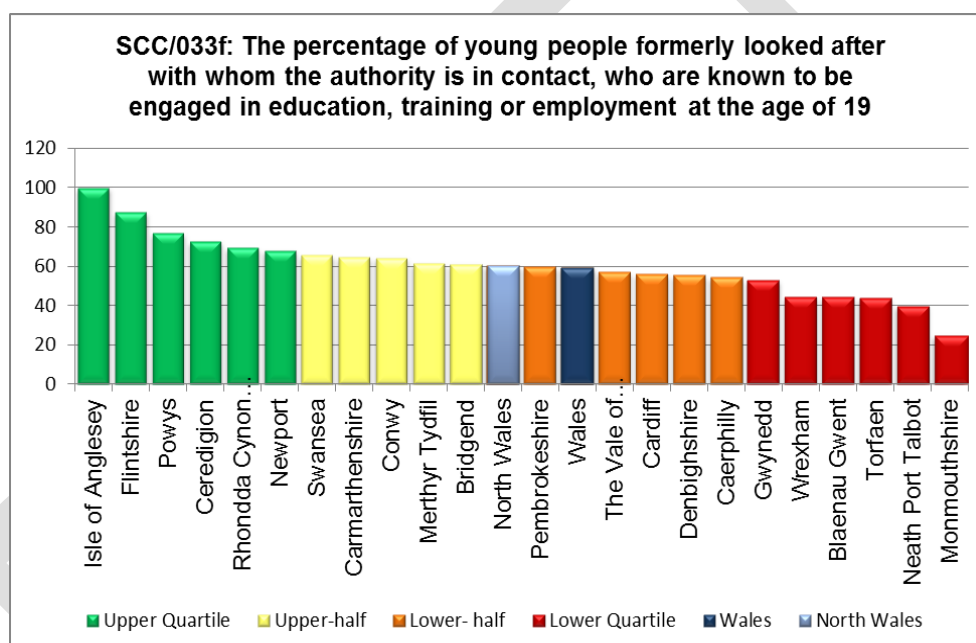
Table 22



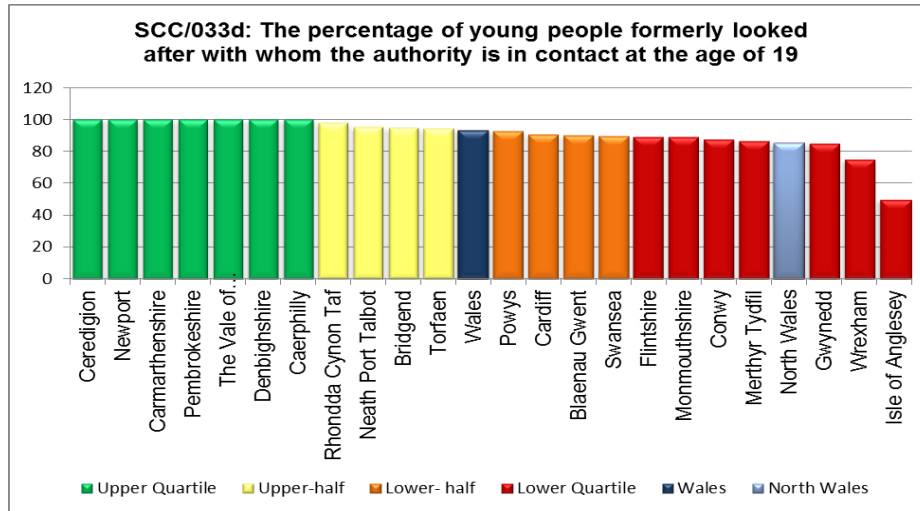
## CHILDREN'S SERVICES

In Children's Services 6 out of the 11 PIs are in the top quartile, with three in the bottom quartile with one each in the upper middle and lower middle quartiles. This is an improvement on 2013/14 with 9 of the 11 PIs all showing an improvement in 2014/15. Whilst this is to be welcomed caution needs to be taken however as some of the PIs are again of a low baseline figure which can mean small fluctuations can result in quite dramatic changes in quartile positions either way. For example we are the first in Wales for being in contact with young people who were formerly looked after and who are engaged in education, training or employment (Table 23). However, the percentage of young people formerly looked after with whom the authority is in contact at the age of 19 (SCC/33e) has changed from 100% in 2013/14 to 50% in 2014/15, again due to very small baseline numbers (Table 24).

**Table 23**



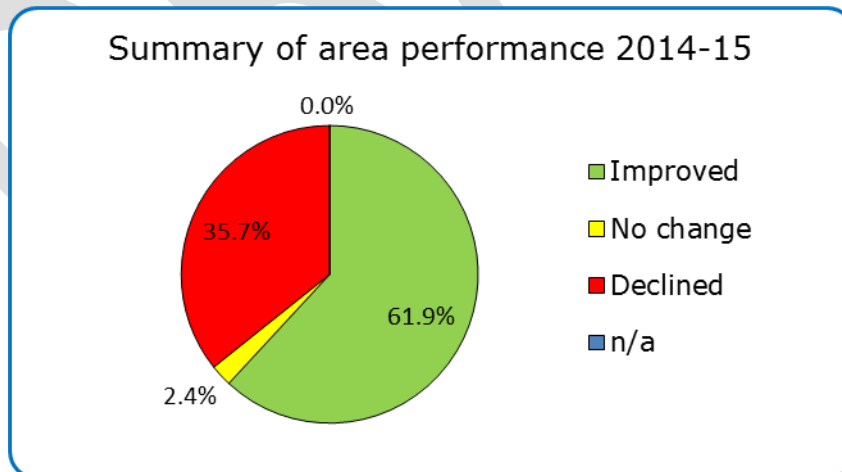
**Table 24**



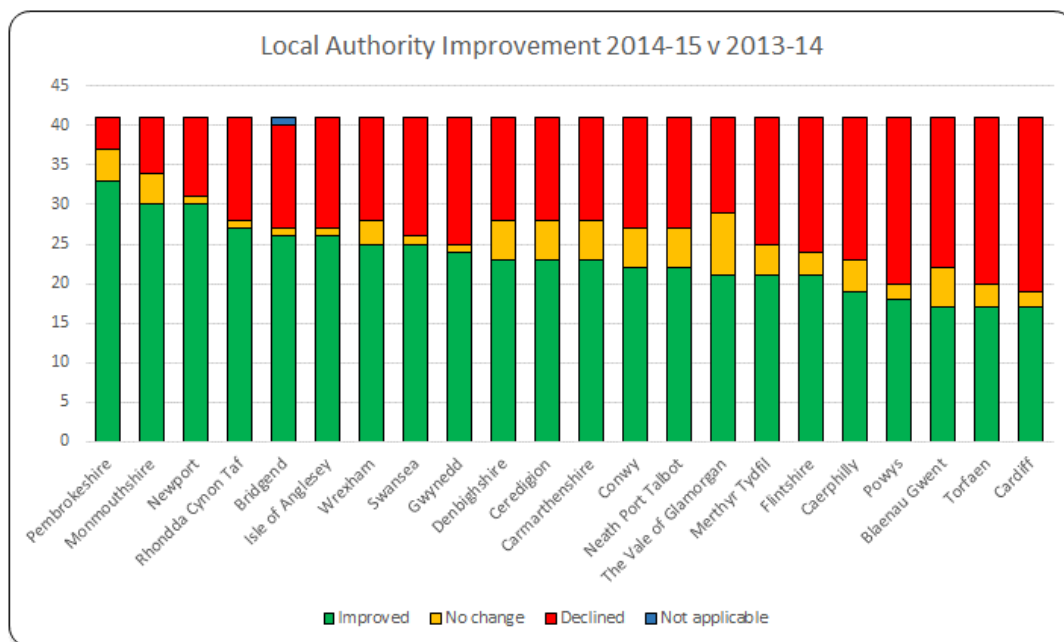
**OVERALL SUMMARY & MITIGATING ACTIONS**

In terms of a general analysis of all our performance Indicators (PIs), inclusive of those not part of our Corporate Plan priorities), the main messages for 2014/15 is as indicated in Table 25. This shows that almost 62% of our PIs improved during 2014/15 whilst 35.7% declined and a further 2.4% have not changed between 2013/14 and 2014/15. Table 26 further shows that we rank 6<sup>th</sup> across Wales in terms of those PIs that improved during this particular year.

**Tabl 1**

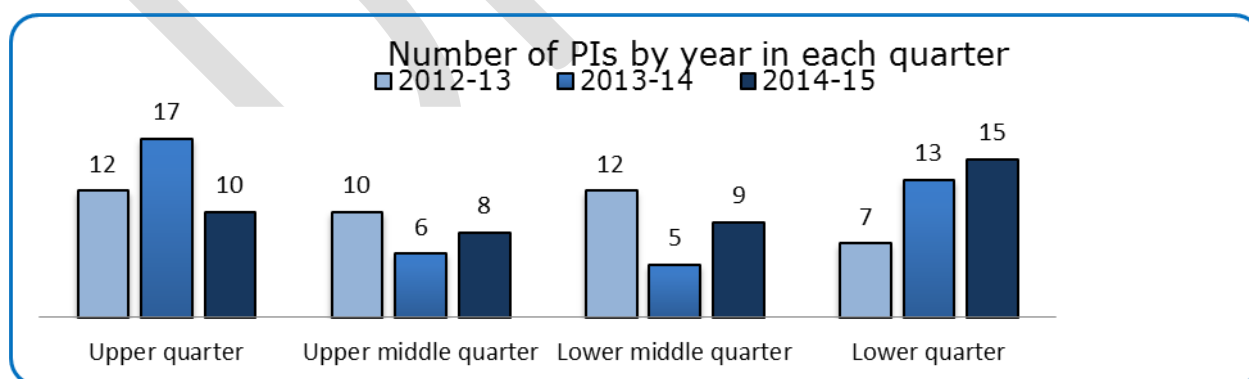


**Tabl 26**



However, and if we analyse Table 27 and Table 28 we can see that there has been a decline in the number of Performance Indicators in the top quartile – from 17 in 2013/14 to 10 in 2014/15. Similarly, there has been a small increase in the number of PIs in the lower quartile – from 13 in 2013/14 to 15 in 2014/15. Whilst there has been an increase in the number of PIs in the upper middle quartile from 6 in 2013/14 to 8 in 2014/15, there has also been a corresponding increase in the numbers of PIs in the lower middle quartile, from 5 in 2013/14 to 9 in 2014/15. Overall therefore, we acknowledge that there has been a decline in performance if we compare our Performance Indicator quartile position over the two previous years

**Table 27**



**Table 28**

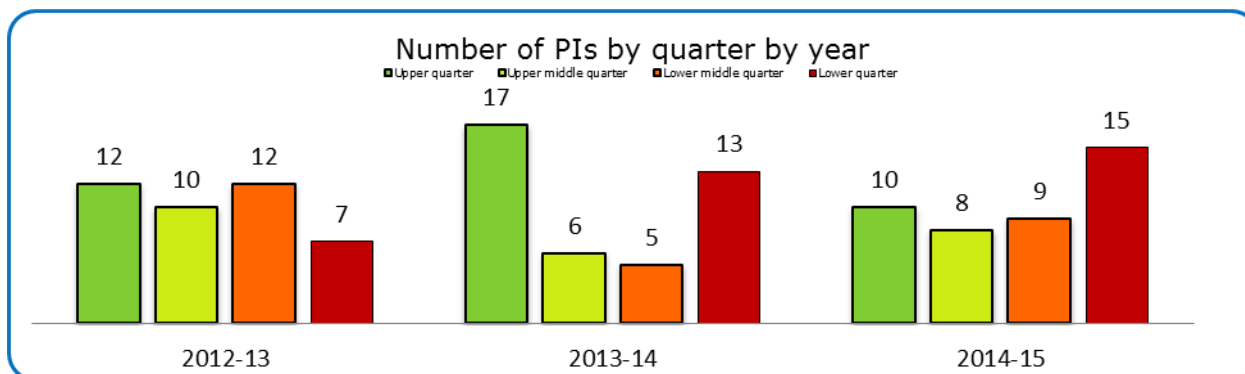
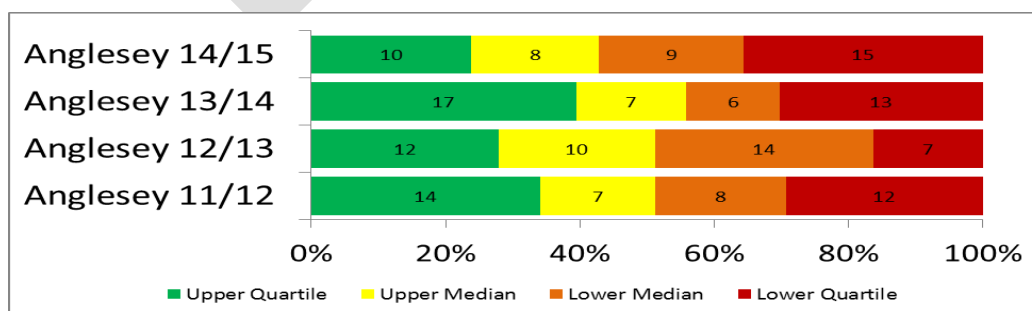


Table 29 below represent a picture of the Council's performance across all services and Year on Year in relation to the 4 quartile positions of all our comparable PIs (NSIs and PAMs) by comparing 2014/15 with the previous year. Table 30 compares our quartile positioning across all 4 quartiles over the last 4 years

**Table 29**

Isle of Anglesey County Council Performance		2014/15 Quartile Position				PI Change since 2013/14			
		Top Quartile	Upper Median	Lower Median	Lower Quartile	Improved	Unchanged	Declined	New Indicator
Adult Services	7	1	1	1	4	4	0	3	0
Childrens Services	11	6	1	1	3	9	0	2	0
Housing	3	0	2	0	0	1	0	2	0
Economic & Community Regeneration	1	0	1	0	0	0	0	1	0
Learning	12	2	2	4	4	6	0	6	0
Highways & Waste Management	6	0	0	3	3	5	1	0	0
Human Resources	1	0	0	0	1	1	0	0	0
Planning & Public Protection	2	1	1	0	0	1	0	1	0
<b>Isle of Anglesey County Council Total</b>	<b>43</b>	<b>10 23%</b>	<b>8 19%</b>	<b>9 21%</b>	<b>15 35%</b>	<b>27 63%</b>	<b>1 2%</b>	<b>15 35%</b>	<b>0 0%</b>

**Table 30**



In terms of those Performance Indicators that are either in the lower or middle lower quartiles in 2014/15, the reason and mitigating action to address any performance issues are noted in the Table below (Table 31). A full list of our National Performance Indicator results for 2014/15 can be found at Appendix 1.

**Table 31**

<b>LEARNING</b>	<b>Description</b>	<b>Qt</b>	<b>Reason &amp; Mitigating action</b>
PAM EDU/002i	The percentage of all pupils (including those in LA care) in any LA maintained school, aged 15 as at the preceding 31 August who leave compulsory education, training or work based learning without an approved external qualification	3	To be provided
EDU/002ii:	EDU/002ii: The percentage of pupils in local authority care in any local authority maintained school, aged 15 as at the preceding 31 August who leave compulsory education, training or work based learning without an approved external qualification	4	The Percentage figure is high due to very small numbers. The actual number is one individual pupil.
EDU/015a:	The percentage of final statements of special education need issued within 26 weeks including exceptions	4	Data shows that health contributions to Statutory Assessments are the largest factor in the failure to complete within the statutory time -limits. The situation has deteriorated since last year. Officers will be working with colleagues within the health service in order to improve response rates.
EDU/015b:	The percentage of final statements of special education need issued within 26 weeks excluding exceptions	4	Data shows that health contributions to Statutory Assessments are the largest factor in the failure to complete within the statutory time -limits. The situation has deteriorated since last year. Officers will be working with colleagues within the health service in order to improve response rates.

EDU/017:	The percentage of pupils aged 15 at the preceding 31 August, in schools maintained by the local authority who achieved the Level 2 threshold including a GCSE grade A*-C in English or Welsh first language and mathematics	3	To be provided
EDU/016a:	Percentage of pupil attendance in primary schools	3	As a percentage of possible attendance the performance continues to improve. However the improvement is at a slower rate than that overall for Wales.
EDU/016b:	Percentage of pupil attendance in secondary schools	3	As a percentage of possible attendance the performance continues to improve. However the improvement is at a slower rate than that overall for Wales.
LCL/001(b):	The number of visits to Public Libraries during the year, per 1,000 population	4	Reason: The number of events and activities are down on previous years due to staff capacity issues. Likewise the ability to actively promote and encourage use is affected by staffing capacity issues, and budgetary constraints.  Mitigating Action: Staffing structure and library service model is under review.  The inclusion of virtual visits is being investigated.

<b>ADULTS</b>	<b>Description</b>	<b>Qt</b>	<b>Reason &amp; Mitigating action</b>
SCA/002a:	The rate of older people (aged 65 or over) supported in the community per 1,000 population aged 65 or over at 31 March	4	The departments model is based on supporting individuals to be independent of services with strong preventative and low level support available in communities. This indicator goes contrary to this aim, an aim which is entirely consistent with the requirements of the SS & Wellbeing Act.

SCA/002b:	The rate of older people (aged 65 or over) whom the authority supports in care homes per 1,000 population aged 65 or over at 31 March	4	The department recognises the need to increase the number of alternative options to residential care. An Extra Care Programme is underway and we continue to work with providers to strengthen the domicilliary care market as an alternative to residential care.
SCA/019:	The percentage of adult protection referrals completed where the risk has been managed	4	the number of POVA cases are low in comparison with other authorities which have larger populations, therefore a small number of cases can lead to a 'Red' outcome. These cases are all as a result of individuals choosing not to make a complaint to the Police or to take other formal steps regarding the potential abuse they have endured. These individuals are assessed as having mental capacity. In such circumstances individuals are offered support (advocacy, victim support, counselling, IDVA etc) but it is ultimately a personal decision not to make a complaint or to remain in an abusive situation.
SCA/020:	The percentage of adult clients who are supported in the community during the year	4	See SCA / 020
SCA/018a:	The percentage of carers of adults who were offered an assessment or review of their needs in their own right during the year	3	We have identified that the predominant issue is with reviews rather than assessments. We are proposing to review our data capture mechanisms to ensure that reviews are identified at an early stage and a planned and timely response is offered.



<b>CHILDREN</b>	<b>Description</b>	<b>Qt</b>	<b>Reason &amp; Mitigating action</b>
SCC/002:	Percentage of children looked after at 31 March who have experienced one or more changes of school, during a period or periods of being looked after, which were not due to transitional arrangements, in the 12 months to 31 March	4	The Local Authority has identified that 10 (18.52%) out of a cohort of 45 children moved school during the year: and are confident that the changes were planned including supporting permanency / long term care arrangements and transitional moves from primary to secondary school.
SCC/033d:	The percentage of young people formerly looked after with whom the authority is in contact at the age of 19	4	Performance for 2014/15 was 50%. The low base number is a factor. There were only 2 young people formerly looked after during the year.
SCC/037:	The average external qualifications point score for 16 year old looked after children, in any local authority maintained learning setting	3	This was the best ever result for us as a Local Authority (289), and, based on Wales' performance in 2013/14, we would have been very well placed in 2014/15. However the educational standards for the whole of Wales improved in 2014/15 which meant that we did not compare as well nationally.
SCC:041a:	The percentage of eligible, relevant and former relevant children that have pathway plans as required	4	18/23 = 78.26% The performance is related to 4 young people choosing not to engage. Only 1 young person's review of her/his pathway plan was not completed in time. We are currently reviewing our approach to the delivery of after care services.

<b>HIGHWAYS &amp; WASTE</b>	<b>Description</b>	<b>Qt</b>	<b>Reason &amp; Mitigating action</b>
WMT/004(b):	The percentage of municipal waste collected by local authorities sent to landfill	4	Up to May 2015 all residual waste has been sent to landfill at Llanddulas, hence being in in the lower quartile for 14/15 was inevitable. However, having secured an excellent commercial deal with both Grays Waste and Biffa at least 10,000 tonnes of our 17,000 tonnes of residual waste is being sent to either Runcorn or St Helens. As well as providing a £10 /tonne saving this tonnage will help towards our recycling target (58% for 15/16), since the waste is being burnt at

			Energy From Waste plants, which means that 20% of the waste counts towards our recycling target. Hence this KPI should improve considerably for 15/16.
WMT/009(b):	The percentage of municipal waste collected by local authorities and prepared for reuse and/or recycled, including source segregated biowastes that are composted or treated biologically in another way	3	Ynys Mon has for many years been in the top quartile for Recycling, but other authorities have caught up over the past 2 years. The comments for WMT/004(b) also apply to this KPI. It is anticipated that the Recycling rate will increase to approximately 59% for 2015/16, which should place Ynys Mon in the top half. Implementation of 3 or 4 weekly collections in 2016/17 would mean a return to the the top quartile.
STS/006:	The percentage of reported fly tipping incidents cleared within 5 working days	3	The 96% of fly tipping incidents cleared within 5 days is better than the Welsh average of 93%.Some improvement since last year.
STS/005b	: The percentage of highways inspected of a high or acceptable standard of cleanliness	3	Considerable improvement from 13/14, with Cleanliness Index improved from 84.5% to 96.3%.
THS/007:	The percentage of adults aged 60+ who hold a concessionary bus pass	4	This KPI is merely a measure of Rurailty, where Powys will always be lowest and we will always be in the bottom quartile. Without investing to provide additional bus services this KPI will not change. There has not been a political will to protect bus services within the authority over the past few years and this is unlikely to change.
THS/012:	The percentage of principal (A) roads, non-principal (B) roads and non-principal (C) roads that are in overall poor condition	4	This KPI is linked directly to the funding invested to maintain highways, which has fallen by £1.8 Million over recent years. The £1 Million Capital received for 15/16 should help to improve this KPI, at a time when Welsh Government Prudential Borrowing for all Wales has ceased

CORPORAT E	Description	Qt	Reason & Mitigating action
CHR/002:	The number of working days/shifts per full-time		We are aware of the need to improve our sickness absence and have already put in

	equivalent (FTE) local authority employee lost due to sickness absence	4	place new guidance and processes for doing this (for example we are identifying individual recurring cases and have also introduced a revised Attendance Review Meeting (ARM) process
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## Further Information

To find out more about anything in this document or to make any comments please contact:

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email – [ScottRowley@anglesey.gov.uk](mailto:ScottRowley@anglesey.gov.uk) or [GethinMorgan@anglesey.gov.uk](mailto:GethinMorgan@anglesey.gov.uk)

This document is available on tape, in braille and on the Council's website:  
<http://www.anglesey.gov.uk/corporateplan>

Further information may also be obtained as follows:

Policies, plans and strategies published by the Council can be accessed at: [www.anglesey.gov.uk](http://www.anglesey.gov.uk)

The Annual Improvement Report (AIR) is available on the Council's website by clicking on this link:  
[www.anglesey.gov.uk/airwao](http://www.anglesey.gov.uk/airwao)

Audit and Inspection Reports produced by the Council's Regulators are available from their respective websites, as follows:

- Wales Audit Office:  
[www.wao.gov.uk](http://www.wao.gov.uk)
- Care and Social Services Inspectorate Wales:  
[www.cssiw.org.uk](http://www.cssiw.org.uk)
- Estyn:  
[www.estyn.gov.uk](http://www.estyn.gov.uk)

If you do not have access to the internet, or would like to obtain a document that is not listed above, please contact the Council via the contact details outlined at the top of this page.

Appendix 1

PI Type	Description	Service	Direction	2012/13	2013/14	2014/15	14/15 Trend	14/15 Quartile
PAM	CHR/002: The number of working days/shifts per full-time equivalent (FTE) local authority employee lost due to sickness absence	Human Resources	<	14.2	12.48	11.5	3	
NSI/PAM	EDU/002i: The percentage of all pupils (including those in LA care) in any local authority maintained school, aged 15 as at the preceding 31 August who leave education, training or work based learning without an approved external qualification	Education	<	0.28	0.00	0.3	1	
NSI	EDU/002ii: The percentage of pupils in local authority care in any local authority maintained school, aged 15 as at the preceding 31 August who leave compulsory education, training or work based learning without an approved external qualification	Education	<	25.00	0.00	14.3	1	
NSI/PAM	EDU/003: The percentage of pupils assessed at the end of Key Stage 2, in schools maintained by the local authority, achieving the Core Subject Indicator, as determined by Teacher Assessment	Education	>	84.67	87.98	87.8	1	

Appendix 1

PI Type	Description	Service	Direction	2012/13	2013/14	2014/15	14/15 Trend	14/15 Quartile
PAM	EDU/004: The percentage of pupils assessed at the end of Key Stage 3, in schools maintained by the local authority, achieving the Core Subject Indicator, as determined by Teacher Assessment	Education	>	77.86	81.46	83.6	3	
NSI	EDU/006ii: The percentage of pupils assessed, in schools maintained by the local authority, receiving a Teacher Assessment in Welsh (first language) at the end of Key Stage 3	Education	>	64.91	61.75	67.2	3	
NSI/PAM	EDU/011: The average point score for pupils aged 15 at the preceding 31 August, in schools maintained by the local authority	Education	>	514.65	593.55	598.3	3	
NSI	EDU/015a: The percentage of final statements of special education need issued within 26 weeks including exceptions	Education	>	69.57	59.09	38.5	1	
NSI	EDU/015b: The percentage of final statements of special education need issued within 26 weeks excluding exceptions	Education	>	88.89	100.00	84.6	1	

Appendix 1

PI Type	Description	Service	Direction	2012/13	2013/14	2014/15	14/15 Trend	14/15 Quartile
PAM	EDU/016a: Percentage of pupil attendance in primary schools	Education	>	94.38	94.41	94.6	3	
PAM	EDU/016b: Percentage of pupil attendance in secondary schools	Education	>	92.24	93.24	93.4	3	
NSI	EDU/017: The percentage of pupils ages 15 at the preceding 31st August, in schools maintained by the local authority who achieved the level 2 threshold including a GCSE grade A*-C in English or Welsh first language and mathematics	Education	>	52.25	54.20	53.8	1	
NSI/PAM	HHA/013: The percentage of all potentially homeless households for whom homelessness was prevented for at least 6 months	Housing	>	88.65	88.18	68.3	-	-
NSI	LCL/001b: The number of visits to Public Libraries during the year, per 1,000 population	Libraries	>	4094.43	4024.47	4,166.4	3	
NSI	LCS/002(b): The number of visits to local authority sport and leisure centres during the year where the visitor will be participating in physical activity, per 1,000 population	Economic & Community Regen	>	8109.21	8767.29	8,434.0	1	

Appendix 1

PI Type	Description	Service	Direction	2012/13	2013/14	2014/15	14/15 Trend	14/15 Quartile
NSI/PAM	PLA/006b: The number of additional affordable housing units provided during the year as a percentage of all additional housing units provided during the year	Planning & Public Protection	>	66.22	83.97	39.2	1	Yellow
PAM	PPN/009: The percentage of food establishments which are 'broadly compliant' with food hygiene standards	Planning & Public Protection	>	92.91	93.38	97.0	3	Green
NSI/PAM	PSR/002: The average number of calendar days taken to deliver a Disabled Facilities Grant	Housing	<	275.91	213.11	229.5	1	Yellow
NSI	PSR/004: The percentage of private sector dwellings that had been vacant for more than 6 months at 1 April that were returned to occupation during the year through direct action by the local authority	Housing	>	8.63	11.98	13.1	3	Yellow
NSI	SCA/001: The rate of delayed transfers of care for social care reasons per 1,000 population aged 75 or over	Adult Services	<	2.53	0.55	1.8	1	Yellow
NSI	SCA/002a: The rate of older people (aged 65 or over) supported in the community per 1,000 population aged 65 or over at 31 March	Adult Services	>	58.94	54.41	49.5	1	Red



Appendix 1

PI Type	Description	Service	Direction	2012/13	2013/14	2014/15	14/15 Trend	14/15 Quartile
NSI	SCA/002b: The rate of older people (aged 65 or over) whom the authority supports in care homes per 1,000 population aged 65 or over at 31 March	Adult Services	<	27.72	25.30	23.3	3	
PAM	SCA/007: The percentage of clients with a care plan at 31 March whose care plans should have been reviewed that were reviewed during the year	Adult Services	>	82.82	87.86	92.2	3	
PAM	SCA/018a: The percentage of carers of adults who were offered an assessment or review of their needs in their own right during the year	Adult Services	>	81.73	91.28	92.9	3	
NSI/PAM	SCA/019: The percentage of adult protection referrals completed where the risk has been managed	Adult Services	>	92.78	88.89	91.9	3	
PAM	SCA/020: The percentage of adult clients who are supported in the community during the year	Adult Services	>	84.22	80.37	79.1	1	
NSI	SCC/002: % of children looked after at 31 March who have experienced one or more changes of school, during a period or periods of being looked after, which were not due to transitional arrangements, in the 12 months to 31 March	Childrens Services	<	15.69	20.00	18.5	3	

Appendix 1

PI Type	Description	Service	Direction	2012/13	2013/14	2014/15	14/15 Trend	14/15 Quartile
NSI/PAM	SCC/004: The percentage of children looked after on 31 March who have had three or more placements during the year	Childrens Services	<	8.75	7.79	3.4	3	
PAM	SCC/011a: The percentage of initial assessments that were completed during the year where there is evidence that the child has been seen by the Social Worker	Childrens Services	>	89.81	91.63	95.9	3	
NSI	SCC/011b: The percentage of initial assessments that were completed during the year where there is evidence that the child has been seen alone by the Social Worker	Childrens Services	>	59.44	55.06	63.9	3	
PAM	SCC/025: The percentage of statutory visits to looked after children due in the year that took place in accordance with regulations	Childrens Services	>	90.79	90.54	93.5	3	
NSI	SCC/033d: The percentage of young people formerly looked after with whom the authority is in contact at the age of 19	Childrens Services	>	100.00	100.00	50.0	1	
NSI	SCC/033e: The percentage of young people formerly looked after with whom the authority is in contact, who are known to be in suitable, non-emergency accommodation at the age of 19	Childrens Services	>	100.00	85.71	100.0	3	

Appendix 1

PI Type	Description	Service	Direction	2012/13	2013/14	2014/15	14/15 Trend	14/15 Quartile
NSI	SCC/033f: The percentage of young people formerly looked after with whom the authority is in contact, who are known to be engaged in education, training or employment at the age of 19	Childrens Services	>	62.50	42.86	100.0	3	Green
NSI	SCC/037: The average external qualifications point score for 16 year old looked after children, in any local authority maintained learning setting	Childrens Services	>	205.50	135.80	288.6	3	Orange
NSI	SCC/041a: The percentage of eligible, relevant and former relevant children that have pathway plans as required	Childrens Services	>	95.65	77.78	78.3	3	Red
PAM	SCC/045: The percentage of reviews of looked after children, children on the Child Protection Register and children in need carried out in line with the statutory timetable	Childrens Services	>	90.09	95.68	94.5	1	Yellow
PAM	STS/005b: The percentage of highways inspected of a high or acceptable standard of cleanliness	Highways & Waste Management	>	93.70	96.34	96.3	2	Orange
NSI	STS/006: The percentage of reported fly tipping incidents cleared within 5 working days	Highways & Waste Management	>	93.74	95.55	95.9	3	Orange
NSI	THS/007: The percentage of adults aged 60+ who hold a concessionary bus pass	Highways & Waste Management	>	69.11	70.73	72.5	3	Red

Appendix 1

PI Type	Description	Service	Direction	2012/13	2013/14	2014/15	14/15 Trend	14/15 Quartile
PAM	THS/012: The percentage of principal (A) roads, non-principal (B) roads and non-principal (C) roads that are in overall poor condition	Highways & Waste Management	<	11.15	11.71	10.9	3	
NSI/PAM	WMT/004b: The percentage of municipal wastes sent to landfill	Highways & Waste Management	<	43.72	44.11	43.2	3	
NSI/PAM	WMT/009b: The percentage of municipal waste collected by local authorities and prepared for reuse and/or recycled, including source segregated biowastes that are composted or treated biologically in another way	Highways & Waste Management	>	55.22	54.37	55.2	3	

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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>REPORT TO:</b>	<b>COUNTY COUNCIL</b>
<b>DATE:</b>	<b>29 SEPTEMBER 2015</b>
<b>SUBJECT:</b>	<b>ANNUAL TREASURY MANAGEMENT REVIEW FOR 2014/15</b>
<b>PORTFOLIO HOLDER(S):</b>	<b>COUNCILLOR H E JONES</b>
<b>LEAD OFFICER(S):</b>	<b>RICHARD MICKLEWRIGHT</b>
<b>CONTACT OFFICER(S):</b>	<b>BEN DAVIES / GARETH ROBERTS (EXT. 2610/2675)</b>
<b>Nature and reason for reporting</b>	
<p>To comply with regulations issued under the Local Government Act 2003 and with the Council's Treasury Management Scheme of Delegation for 2014/15 (Appendix 8 of the Treasury Management Strategy Statement 2014/15). In accordance with the Scheme of Delegation, this report was scrutinised by the Audit Committee on 27 July 2015. The Audit Committee resolved to accept the report and forward it to the Executive Committee without further comment. The Executive Committee met on the 21 September 2015 and resolved to accept the report and forward it to the full Council without further comment.</p>	

## **Summary**

The Council is required, by regulations issued under the Local Government Act 2003, to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2014/15. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2014/15, the minimum reporting requirements were that the full Council should receive the following reports:-

- an annual treasury strategy in advance of the year (received on 27 February 2014);
- a mid year (minimum) treasury update report (received on 4 December 2014);
- an annual review following the year describing the activity compared to the strategy (this report).

The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit Committee before they were reported to the full Council.

In order to support the scrutiny role of the members of the Audit Committee, Member training on treasury management issues was undertaken during July 2014.

During 2014/15, the Council complied with its legislative and regulatory requirements. The key data for actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:-

Data for actual prudential and treasury indicators	2013/14 Actual £000	2014/15 Original £000	2014/15 Actual £000
Capital expenditure			
• Non-HRA	20,936	18,100	15,769
• HRA	3,169	5,700	5,518
• Total	24,105	23,800	21,287
Total Capital Financing Requirement:			
• Non-HRA	86,286	92,400	85,932
• HRA	23,903	23,000	22,650
• Total	110,189	115,400	108,582
Gross borrowing	89,590	125,000	89,583
External debt	89,590	127,000	89,583
Investments			
• Longer than 1 year	-		-
• Under 1 year	9,196		10,983
• Total	9,196		10,983

Other prudential and treasury indicators are to be found in the main body of this report. The Section 151 Officer also confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit (the authorised limit) was not breached.

The financial year 2014/15 continued the challenging investment environment of previous years, namely low investment returns.

## RECOMMENDATIONS

The Committee is recommended to:-

- (i) Note that the outturn figures in this report will remain provisional until the audit of the 2014/15 Statement of Accounts is completed and signed off; any resulting significant adjustments to the figures included in this report will be reported as appropriate;
- (ii) Note the provisional actual 2014/15 prudential and treasury indicators in this report;
- (iii) Consider the annual treasury management report for 2014/15.

### Appendices:

- Appendix 1 - Summary Portfolio Valuation as at 31 March 2015
- Appendix 2 - Credit ratings of investment counterparties and deposits held with each as at 31 March 2015
- Appendix 3 - Equivalent Credit Ratings
- Appendix 4 - The Economy and Interest Rates – A Commentary by Capita Asset Services

### Background papers:

- Treasury Management Strategy Statement 2014/15
- Prudential and Treasury Indicators 2014/15
- Treasury Management First Quarter Report 2014/15
- Treasury Management Mid-Year Review Report 2014/15
- Treasury Management Third Quarter Report 2014/15

## 1. INTRODUCTION

This report summarises the following functions / activities / outcomes in financial year 2014/15:-

- Capital activity;
- Impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement);
- The actual prudential and treasury indicators;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness and the impact on investment balances;
- Interest rate movements in the year;
- Detailed debt activity; and
- Detailed investment activity.

## 2. THE COUNCIL'S CAPITAL EXPENDITURE AND FINANCING 2014/15

2.1 The Council undertakes capital expenditure on long-term assets. These activities may either be:-

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.) which has no resultant impact on the Council's borrowing need; or
- Financed from borrowing; this may be through planned borrowing or otherwise. If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

2.2 The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

	2013/14 Actual (£m)	2014/15 Estimate (£m)	2014/15 Actual (£m)
Non-HRA capital expenditure	21	18	16
HRA capital expenditure	3	6	5
<b>Total capital expenditure</b>	<b>24</b>	<b>24</b>	<b>21</b>
Non-HRA financed in year	9	8	11
HRA financed in year	3	6	5
<b>Non-HRA unfinanced capital expenditure</b>	<b>12</b>	<b>10</b>	<b>5</b>
<b>HRA unfinanced capital expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 3. THE COUNCIL'S OVERALL BORROWING NEED

3.1 The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. The CFR results from the capital activity of the Council and what resources have been used to pay for the capital spend. It represents the 2014/15 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

**3.2** Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board (PWLB) or the money markets), or utilising temporary cash resources within the Council.

### 3.3 Reducing the CFR

**3.3.1** The Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP) to reduce the CFR. This is effectively a repayment of the borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

**3.3.2** The total CFR can also be reduced by:-

- the application of additional capital financing resources (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

**3.3.3** The Council's 2014/15 MRP Policy (as required by WG Guidance) was approved as part of the Treasury Management Strategy Report for 2014/15 on 27 February 2014.

**3.3.4** The Council's CFR for the year is shown below, and represents a key prudential indicator. This would include any PFI and leasing schemes on the balance sheet which would increase the Council's borrowing need, the CFR. There were no such schemes during the year.

CFR: Council Fund	2013/ 14 Actual (£m)	2014/ 15 Budget (£m)	2014/ 15 Actual (£m)
Opening balance	81	86	85
Add unfinanced capital expenditure (as above)	8	10	5
Less MRP/VRP*	(3)	(4)	(4)
Closing balance	86	92	86

CFR: HRA	2013/ 14 Actual (£m)	2014/ 15 Budget (£m)	2014/ 15 Actual (£m)
Opening balance	25	24	24
Add unfinanced capital expenditure (as above)	-	-	-
Less MRP/VRP*	(1)	(1)	(1)
Closing balance	24	23	23

\* Includes voluntary application of capital receipts

**3.3.5** The borrowing activity is constrained by prudential indicators for gross borrowing and the CFR, and by the authorised limit.



### 3.4 Gross borrowing and the CFR

In order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

	31 March 2014 Actual (£m)	31 March 2015 Budget (£m)	31 March 2015 Actual (£m)
Gross borrowing position	89.6	115.4	89.6
CFR	110.2	115.4	108.6

**3.4.1** As part of the financing of capital expenditure for 2014/15, borrowing was used to finance the gap between available resources (capital receipts, capital grants, capital contributions and revenue contributions) and the capital expenditure. It was decided, in light of current and projected market interest rates and counterparty credit risks, to continue internalising borrowing, in the short term at least. This strategy has now been implemented throughout each of the last four years. As a result of continuing with this strategy, the gap between CFR and external borrowing decreased during 2014/15 to £19.0m. The gross borrowing at 31 March 2015 is less than the forecast CFR for the following 2 years.

**3.5** The other debt related indicators are:-

**3.5.1 The authorised limit** - the authorised limit is the "affordable borrowing limit" required by section 3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2014/15 the Council maintained gross borrowing within its authorised limit.

**3.5.2 The operational boundary** – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

**3.5.3 Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2014/15
Authorised limit	£127.0m
Maximum gross borrowing position	£89.6m
Operational boundary	£122.0m
Average gross borrowing position	£89.6m
Financing costs as a proportion of net revenue stream - CF	5.79%
Financing costs as a proportion of net revenue stream - HRA	14.60%

The reason for the Council Fund financing costs being a marginally lower percentage of the net revenue stream than estimated was due to lower than budgeted financing costs, combined with lower than budgeted investment income and higher than expected net revenue stream.

#### 4. TREASURY POSITION AS AT 31 MARCH 2015

- 4.1 The Council's debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary and through officer activity detailed in the Council's Treasury Management Practices. The borrowing and investment figures for the Council as at the end of the 2014/15 and 2013/14 financial years are as follows:-

	31 MARCH 2014			31 MARCH 2015		
	£'000	Average Rate (%)	Average Maturity (yrs)	£'000	Average Rate (%)	Average Maturity (yrs)
Debt: All Public Works Loans Board, fixed rate	89,590	5.72	26.2	89,585	5.72	25.4
CFR	110,189			108,582		
Over / (under) borrowed	(20,599)			(18,997)		
Fixed term investments (all < 1 year, managed in house and fixed rate)	5,005	0.80		Nil	-	
No notice investments (all managed in house)	4,191	0.58		10,983	0.36	
Total Investments	9,196	0.70		10,983	0.36	

See a more detailed analysis in Appendix 1. The upper limits for fixed rate and variable rate exposures were not breached during the year.

- 4.2 Borrowing is further broken down by maturity as:-

	31 MARCH 2014		31 MARCH 2015		2013/14 and 2014/15 Limits	
	£m	% of total	£m	% of total	% of total (upper)	% of total (lower)
Total borrowing	89.6	100	89.6	100		
Under 12 months	0.0	0.0	0.0	0.0	20	0
12 months and within 24 months	0.0	0.0	0.0	0.0	20	0
24 months and within 5 years	10.5	11.8	15.5	17.3	50	0
5 years and within 10 years	13.7	15.3	8.8	9.8	75	0
10 years and above	65.4	72.9	65.3	72.9	100	0

- 4.3 There was no debt rescheduling and no new external borrowing. No debt rescheduling took place during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.
- 4.4 Part of the Council's deposits are held in no notice deposit accounts which pay interest at rates near the prevailing base rate, £11.0m at 0.36% (31 March 2014: £4.2m at 0.58%). There were no deposits being held for a period of less than 1 year (31 March 2014: £5m at 0.8%).

## **5. TREASURY STRATEGY FOR 2014/15**

- 5.1** The expectation for interest rates within the strategy for 2014/15 anticipated low but rising Bank Rate (starting in quarter 1 of 2015) and gradual rises in medium and longer term fixed borrowing rates during 2014/15. Variable or short-term rates were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.
- 5.2** In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk.
- 5.3** The actual movement in gilt yields meant that PWLB rates saw little overall change during the first four months of the year but there was then a downward trend for the rest of the year with a partial reversal during February.
- 5.4** The economic position and PWLB and investment rates were as shown in Appendix 4.

## **6. INVESTMENT OUTTURN FOR 2014/15**

- 6.1** Bank Rate remained at its historic low of 0.5% throughout the year; it has now remained unchanged for six years. Market expectations as to the timing of the start of monetary tightening started the year at quarter 1 2015 but then moved back to around quarter 3 2016 by the end of the year. Deposit rates remained depressed during the whole of the year, primarily due to the effects of the Funding for Lending Scheme
- 6.2** The expected investment strategy was to keep to shorter term deposits (up to 364 days), although the ability to invest out to longer periods was retained (although not used). Available cash balances were expected to be up to £30m, ranging between £15m and £35m. The budget was set at 0.75% or £225k after adjusting for the higher rates on existing investments. As it turned out, average balances of £20.4m returned £83k (0.40%). The lower than budgeted average cash balance was partly the result of continuing to internalise borrowing. The lower than budgeted return was due to worse than anticipated rates of return on investments, with rates continuing to fall throughout the year.

## **7. INVESTMENT SECURITY AND CREDIT QUALITY**

- 7.1** No institutions in which we had made investments had any difficulty in repaying investments and interest on time and in full during the year.
- 7.2** During 2014/15, credit ratings remained poor across the range of our usual counterparties. Since late 2008, it has been challenging to place deposits with appropriate counterparties. In December 2008, the Council's approval was obtained to extend flexibility with counterparties to deal with market changes; this included the ability to invest all our surplus funds with central government if necessary. The list was further widened in April 2010 to include nationalised and partly nationalised institutions and this list was clarified in March 2013 in relation to nationalised and part nationalised UK banks for the 2014/15 criteria. Previous decisions had extended flexibility for investing with local authorities.
- 7.3** The practical effect of these policies was as follows: during the year we continued to use no notice accounts with major high street institutions (Santander, HSBC, RBS and Bank of Scotland) for day to day cash flow.

- 7.4 There was one fixed term investment with the Royal Bank of Scotland (RBS) for £5.0m at the start of the year that matured during in May 2014. The rate was 0.80% and upon maturity was transferred into the RBS call account.

## **8. ACTIVITY SINCE 2014/15**

- 8.1 It has previously been reported that this Authority was preparing to exit the HRA subsidy system on 2nd April 2015. At the time of reporting for Quarter 3 treasury activity, it was known that the buyout was to be financed through the PWLB, but the settlement amount and rate of interest on the borrowing were under consultation. The potential effect of the buy-out was reflected in the budget setting papers presented to Members for 2015/16 (including the 2015/16 Treasury Management Strategy Statement presented to this Committee for scrutiny on 9th February 2015). It can be confirmed that that buy-out took place and the HRA is now self financed. The exact structure of loans arranged by the Council to fund its self-financing of the HRA reflected the requirements of the HRA business plan, the overall requirements of the Council and certain limitations (e.g. the minimum average duration of any borrowing) put in place by the Welsh Government. The loans were, therefore, arranged at a set of bespoke, higher PWLB interest rates that applied only to Welsh HRA self-financing authorities and may make these loans less flexible, from a restructuring perspective, than would normally be the case.

**Summary Portfolio Valuation  
As at 31 March 2015**

	Nominal/Principal (£)	Fair Value (£)
<b>FINANCIAL ASSETS</b>		
Cash (interest bearing accounts) (1)	10,982,986	11,008,287
<b>FINANCIAL LIABILITIES</b>		
PWLB loan – Maturity	89,315,764	129,480,161
PWLB loan – Annuity	267,124	435,780
<b>COUNTERPARTIES</b>		
(1) Cash (interest bearing accounts)	7,499,331	
Santander	480,732	
Bank of Scotland	2,945,930	
HSBC	<u>56,993</u>	
RSB	10,982,986	

Graddfeydd Credyd Gwrthbartion buddsoddi a'r adneuo a ddelir gyda phob un ar 31 Marwth 2015 \*  
Credit ratings of investment counterparties and deposits held with each as at 31 March 2015\*

Grŵp Bancio/ Banking Group	Sefydliad/ Institution	Adneuo / 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	481	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	2,946	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	7,499	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	57	Galw/ Call	n/a	0.25	BBB+	F2	A3	P-2	BBB+	A-2	Glas - 12 mis / Blue - 12 months

\* Ceir y Rhestr Meini Prawf Gwrthbartion yn Atodiad 6 o'r Datganiad Strategaeth Rheoli Trysorlys 2014/15. / The Counterpart Criteria can be found at Appendix 6 of the 2014/15 Treasury Management Strategy Statement.

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

\*\*\* Yn Atodiad 3 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

**Graddfeydd Credyd Cyfatebol/**

**Equivalent Credit Ratings (Fitch, Moodys, S&P)**

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

## THE ECONOMY AND INTEREST RATES

The original market expectation at the beginning of 2014/15 was for the first increase in Bank Rate to occur in quarter 1 2015 as the unemployment rate had fallen much faster than expected through the Bank of England's initial forward guidance target of 7%. In May, however, the Bank revised its forward guidance. A combination of very weak pay rises and inflation above the rate of pay rises meant that consumer disposable income was still being eroded and in August the Bank halved its forecast for pay inflation in 2014 from 2.5% to 1.25%. Expectations for the first increase in Bank Rate therefore started to recede as growth was still heavily dependent on buoyant consumer demand. During the second half of 2014 financial markets were caught out by a halving of the oil price and the collapse of the peg between the Swiss franc and the euro. Fears also increased considerably that the ECB was going to do too little too late to ward off the threat of deflation and recession in the Eurozone. In mid-October, financial markets had a major panic for about a week. By the end of 2014, it was clear that inflation in the UK was going to head towards zero in 2015 and possibly even turn negative. In turn, this made it clear that the MPC would have great difficulty in starting to raise Bank Rate in 2015 while inflation was around zero and so market expectations for the first increase receded back to around quarter 3 of 2016.

Gilt yields were on a falling trend for much of the last eight months of 2014/15 but were then pulled in different directions by increasing fears after the anti-austerity parties won power in Greece in January; developments since then have increased fears that Greece could be heading for an exit from the euro. While the direct effects of this would be manageable by the EU and ECB, it is very hard to quantify quite what the potential knock on effects would be on other countries in the Eurozone once the so called impossibility of a country leaving the EZ had been disproved. Another downward pressure on gilt yields was the announcement in January that the ECB would start a major programme of quantitative easing, purchasing EZ government and other debt in March. On the other hand, strong growth in the US caused an increase in confidence that the US was well on the way to making a full recovery from the financial crash and would be the first country to start increasing its central rate, probably by the end of 2015. The UK would be closely following it due to strong growth over both 2013 and 2014 and good prospects for a continuation into 2015 and beyond. However, there was also an increase in concerns around political risk from the general election due in May 2015.

The Funding for Lending Scheme, announced in July 2012, resulted in a flood of cheap credit being made available to banks which then resulted in money market investment rates falling drastically in the second half of that year and continuing throughout 2014/15.

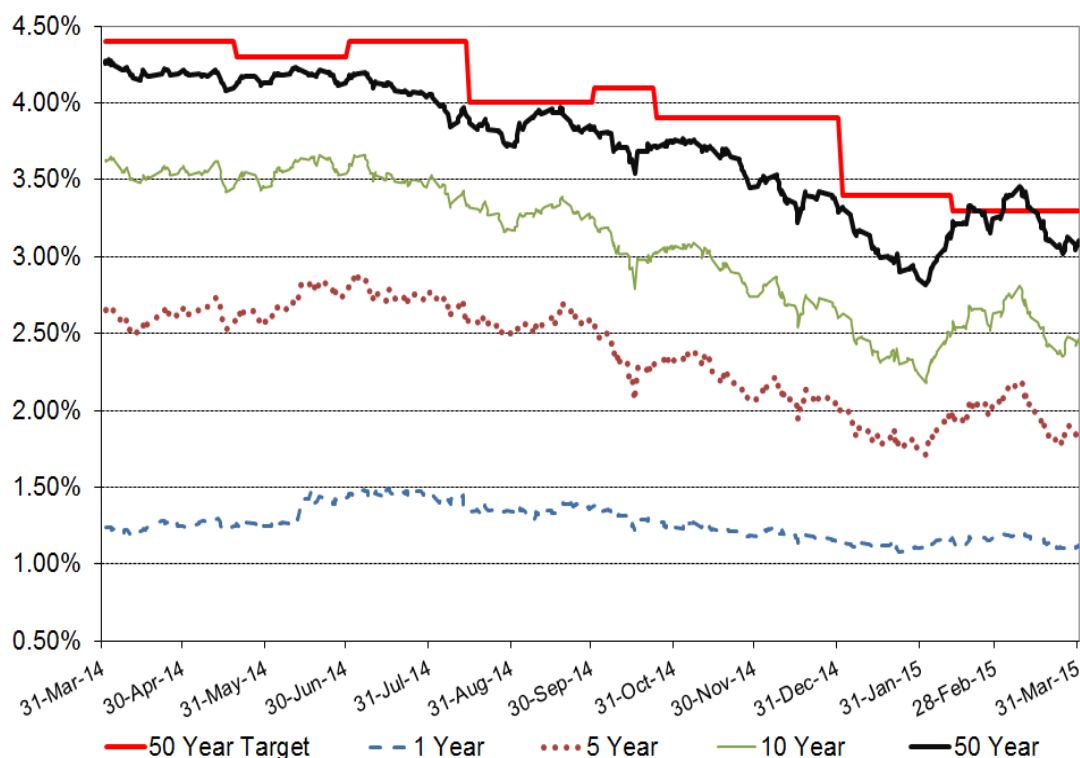
The UK coalition Government maintained its tight fiscal policy stance but recent strong economic growth and falling gilt yields led to a reduction in the forecasts for total borrowing in the March budget.

The EU sovereign debt crisis had subsided since 2012 until the Greek election in January 2015 sparked a resurgence of fears. While the UK and its banking system has little direct exposure to Greece, it is much more difficult to quantify quite what effects there would be if contagion from a Greek exit from the euro were to severely impact other major countries in the EZ and cause major damage to their banks.



**Chart 1: Borrowing Rates 2014-15**

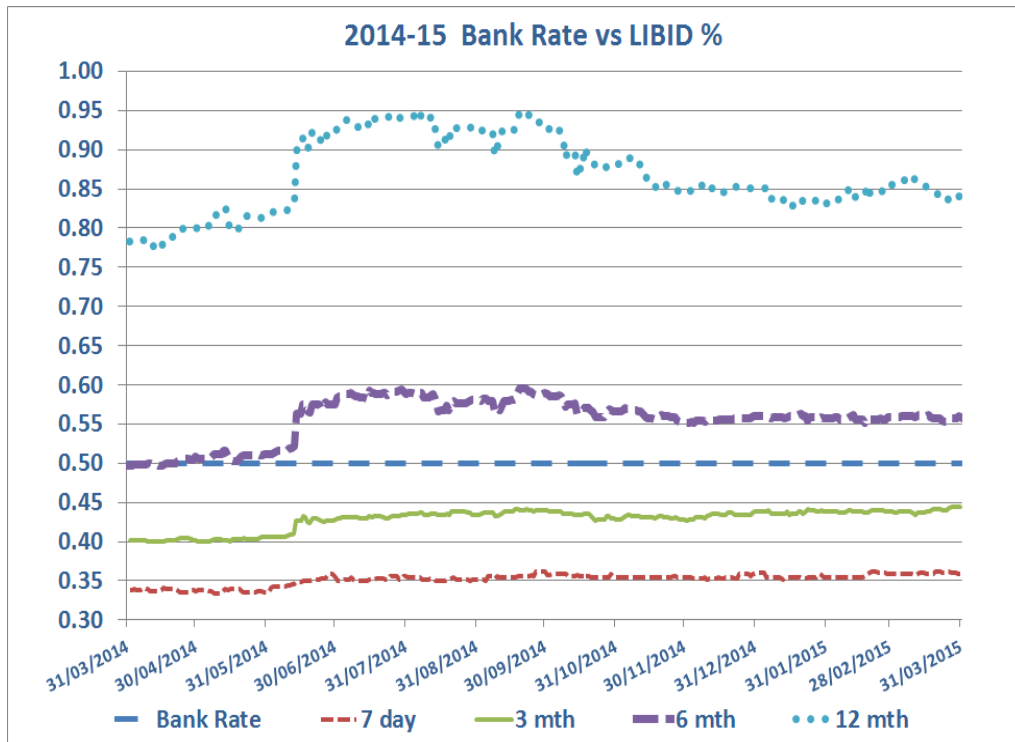
PWLB certainty maturity borrowing rates - the graphs and table for PWLB rates below, show, for a selection of maturity periods, the average borrowing rates, the high and low points in rates, spreads and individual rates at the start and the end of the financial year.



	1	1-1.5	2.5-3	3.5-4	4.5-5	9.5-10	24.5-25	49.5-50	1 month variable
1/4/14	1.240%	1.420%	1.990%	2.340%	2.650%	3.630%	4.290%	4.270%	1.250%
31/3/15	1.110%	1.190%	1.480%	1.680%	1.860%	2.450%	3.110%	3.080%	1.320%
High	1.490%	1.700%	2.280%	2.600%	2.870%	3.660%	4.300%	4.280%	1.340%
Low	1.080%	1.110%	1.380%	1.570%	1.710%	2.180%	2.850%	2.820%	1.250%
Average	1.266%	1.417%	1.863%	2.130%	2.362%	3.083%	3.737%	3.719%	1.290%
Spread	0.410%	0.590%	0.900%	1.030%	1.160%	1.480%	1.450%	1.460%	0.090%
High date	16/07/2014	03/07/2014	03/07/2014	03/07/2014	03/07/2014	20/06/2014	03/04/2014	02/04/2014	17/09/2014
Low date	23/01/2015	06/01/2015	07/01/2015	07/01/2015	02/02/2015	02/02/2015	02/02/2015	02/02/2015	01/04/2014

**Chart 2: Investment Rates 2014-15**

Bank Rate remained at its historic low of 0.5% throughout the year; it has now remained unchanged for six years. Market expectations as to the timing of the start of monetary tightening started the year at quarter 1 2015 but then moved back to around quarter 3 2016 by the end of the year. Deposit rates remained depressed during the whole of the year, primarily due to the effects of the Funding for Lending Scheme.



<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	Executive Full Council
<b>Date:</b>	20 July 2015 29 September 2015
<b>Subject:</b>	Changes to Scrutiny Committees Terms of Reference
<b>Portfolio Holder(s):</b>	Alwyn Rowlands
<b>Head of Service:</b>	Lynn Ball
<b>Report Author:</b> Tel: E-mail:	Lynn Ball, Head of Function (Council Business)/Monitoring Officer 01248 752568 lbxcs@anglesey.gov.uk
<b>Local Members:</b>	n/a

<b>A –Recommendation/s and reason/s</b>
<p>The Executive recommends to Council that Council approve the changes to the Constitution, as detailed in the Appendix to this report.</p> <p><b><u>Background-</u></b> Changes have been requested by Members and Scrutiny Officers to bring the Terms of Reference in line with current best practice and to:-</p> <ol style="list-style-type: none"> <li>1. Enable the Committees to transfer their workload between one another when pressure of work requires flexibility.</li> <li>2. Allow the Corporate Scrutiny Committee to be the lead Committee on the review of the Budget.</li> </ol> <p><b><u>Summary of changes</u></b></p> <ol style="list-style-type: none"> <li>1. Allow matters on the Corporate Scrutiny Committee Work Programme to be forwarded to the Partnership and Regeneration Scrutiny Committee, and vice versa;</li> <li>2. Crime and Disorder functions to be allocated to the Partnership and Regeneration Scrutiny Committee;</li> <li>3. Any request for an item to be scrutinised to be provided to the Head of Democratic Services rather than to the Chief Executive with the Chair of the relevant Scrutiny Committee deciding whether the item should be scrutinised (i.e. applying the test of significance and assessing workloads, priorities and capacity);</li> <li>4. The Corporate Scrutiny Committee only to consider the Executive’s Initial Budget Proposals.</li> </ol>

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

The only other option available would be to maintain the status quo. This is not considered to represent the most effective use of Scrutiny’s limited resources.

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

The report will result in constitutional changes which will require the Executive’s view prior to the report being presented to full Council.

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

Yes

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

Yes

<b>DD – Who did you consult?</b>		<b>What did they say?</b>
<b>1</b>	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	Agreed except for the original draft proposal in relation to paragraph 4.5.9.1. The amendment suggested by the Chief Executive was that notice be given to the Head of Democratic Services, rather than “the Lead officer of the Scrutiny function”. The draft attached contains the amendment requested by the Chief Executive
<b>2</b>	<b>Finance / Section 151</b> (mandatory)	Response received confirming no comments on the report
<b>3</b>	<b>Legal / Monitoring Officer</b> (mandatory)	Report author
<b>4</b>	<b>Human Resources (HR)</b>	Query raised in relation to 4.5.9.1 but the draft amendment attached to this report addresses the issue
<b>5</b>	<b>Property</b>	n/a
<b>6</b>	<b>Information Communication Technology (ICT)</b>	n/a
<b>7</b>	<b>Scrutiny</b>	The original and subsequent recommendations made by the Scrutiny Chairs and Vice Chairs have been

		incorporated into draft paragraphs 2.6.2.2 and 2.6.2.3. The general principle remains the same but the wording has been strengthened.
8	<b>Local Members</b>	n/a
9	<b>Any external bodies / other/s</b>	None

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

<b>F - Appendices:</b>
Amended parts of the Constitution

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

## **Constitution: 2.6 article 6 – scrutiny of decisions**

### **2.6.2.1 Scrutiny Committees' Names, Size and Terms of Reference**

Each Scrutiny Committee may appoint additional non-voting co-optees.

### **2.6.2.2 Corporate Scrutiny Committee Terms of Reference**

In accordance with rule 4.5.7 of the Constitution, the Chair of the Corporate Scrutiny Committee may refer any matter to the Partnership and Regeneration Scrutiny Committee for consideration, and the Corporate Scrutiny Committee may consider any matter referred to it by the Chair of the Partnership and Regeneration Scrutiny Committee.

### **2.6.2.3 Partnership and Regeneration Scrutiny Committee Terms of Reference**

In accordance with rule 4.5.7 of the Constitution, the Chair of the Partnership and Regeneration Committee may refer any matter to the Corporate Scrutiny Committee for consideration, and the Partnership and Regeneration Committee may consider any matter referred to it by the Chair of the Corporate Scrutiny Committee.

## **Constitution: 4.3 budget and policy framework procedure rules**

4.3.2.2.8 At least two weeks before the date on which an annual budget is to be adopted by the Council, the Corporate Scrutiny Committee shall consider the Executive's Initial Budget Proposals as regards their effect, and having regard to the authority's corporate plans, service plans and proposals for their development. The Corporate Scrutiny Committee may make any representations it considers appropriate to the Executive concerning the Initial Budget Proposals.

4.3.2.2.9 At least one week before the date on which an annual budget is to be adopted by the Council, the Executive, having considered the responses of the Corporate Scrutiny Committee s and the outcomes of consultation undertaken, will publish its Final Budget Proposals. The Final Budget Proposals will include the following:

## **Constitution: 4.5 scrutiny procedure rules**

### **4.5.3 Co-optees**

4.5.3.2 In discharging its crime and disorder functions, the Partnership and Regeneration Scrutiny Committee may co-opt any person (with the exception of members of the Executive), and no co-optee is entitled to vote unless the Committee allows it. Co-optees may be appointed for a particular matter or type of matter and membership may be withdrawn at any time by the Committee.

### **4.5.9 Agenda Items**

4.5.9.1 Any Member of Council shall be entitled to give notice to the Head of Democratic Services that he/she wishes an item relevant to the functions of the Committee to be included on the agenda for the next available meeting of the Committee. On receipt of such a request the Chair of the relevant Scrutiny Committee will decide if it is to be included on the next available agenda by undertaking a test of significance and a review of priorities and capacity. If the item is included on a Scrutiny Committee agenda the Member giving notice with regard to a particular agenda item will be entitled to speak at the Committee meeting when that particular item is considered.



<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>Full Council</b>
<b>Date:</b>	<b>September 2015</b>
<b>Subject:</b>	<b>Provision of Free Breakfast Clubs in Primary Schools</b>
<b>Portfolio Holder(s):</b>	<b>Coun. Kenneth Hughes</b>
<b>Head of Service:</b>	<b>Delyth Molyneux</b>
<b>Report Author:</b> Tel: E-mail:	<b>Gareth Jones</b> <b>01248 752947</b> <b>dgjed@anglesey.gov.uk</b>
<b>Local Members:</b>	<b>Relevant to all members</b>

<b>A –Recommendation/s and reason/s</b>
<p>The Task and Finish Group set up by the Council recommends -</p> <ol style="list-style-type: none"> <li>1. Schools to run a fee paying pre-school care club between 8.00 and 8.25. Schools to then run a free breakfast club between 8.25 and 8.50. These clubs to be distinct from each other and attendance at the pre school club is not a requirement for attendance at the breakfast club.</li> <li>2. This recommendation to be consulted upon with the stakeholders in a similar way to the previous consultation e.g. use of surveymonkey and correspondence with Governing Bodies. This to be done as the recommendation outlined above was not an option outlined as part of the original consultation.</li> <li>3. The new arrangements, if approved, to be implemented in September 2016. If the on-line payment system is available by April 2016, the new arrangements to be implemented from the beginning of the summer term, April 2016.</li> <li>4. The Task and Finish Group to continue as a monitoring and standards group for the new arrangements.</li> </ol> <p>Details for the proposed arrangements are</p> <ul style="list-style-type: none"> <li>• Current staff employed under the Free Breakfast Scheme to continue as they are employed for one hour under existing arrangements; 7.50 to 8.50.</li> </ul>

- The fee to be set at 75p per day per child for the pre school care club. If a family has three or more children attending the pre school care club then the fee to be set at £2 per day for the family.
- The Authority will put in place a system for the collection of fees electronically. Any cash collected will need to be banked within the school's usual banking arrangements.
- There will be no change in Caterlink's role as the provider of the breakfasts.
- The Authority will have to consider the effect on the need for registration with CSSIW on an individual school basis as registration is required if the school runs a pre school and after school club for a total of more than two hours in one day. There is no cost involved with CSSIW registration.

The Task and Finish Group recommends this option as:

- It continues to provide children with a free breakfast at the start of the school day and delivers on a Welsh Government priority.
- It provides families with a pre school care club to facilitate work arrangements. This was a significant factor for families in using the Free Breakfast Clubs. 60% of respondents said they used the provision for child care and of these 92% said it was to facilitate their work arrangements.
- It provides income for the Council to set against budgetary considerations as the cost of the provision at present is £398,000 and set to rise by at least £20,000 under the adoption of the new Pay and Grading Structure .Based on 14/15 take up figures the income generated is estimated at £176,130 if all pupils attend the pre school care club. If 75% of those pupils who attend the breakfast club also attend the pre school care club then £132,098 will be generated. This falls to £88,065 if there is 50% take up and to £44,033 if there is 25% take up.
- 10 out of 21 Governing Bodies who expressed a preference chose this option (48%).

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

1. Change supervisors employment from an hour to half an hour with the club running from 8.30 to 8.50.

This was rejected as an inherent risk as supervisors would be unwilling to undertake a cut, creating difficulties in recruiting new staff. The savings would also only be in the region of £87,000 for a full year.

2. Cut employment of supervisors and arrange volunteers.(but not in the kitchen).

This was rejected as being unworkable in terms of recruiting volunteers and keeping them. It would increase head teacher workload which is unacceptable as a way forward, in light of

difficulties recruiting head teachers.

3. Governing Bodies to withdraw from the scheme and join the Clwb Bore Bach.

This was rejected as the response of stakeholders through surveymonkey displayed opposition to the idea. This would also entail families paying for a breakfast which is not in line with Welsh Government guidance.

4. Governing Bodies to arrange own school scheme by receiving delegated finance.

This was rejected as no Governing Body expressed an interest in this option due to the resulting increase in beaurocracy.

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

This is a decision which the Executive Committee has decided should be taken as a Council.

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

This recommendation still allows the continuation of the provision of a free breakfast for primary pupils before the start of the school day.

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

The Council has set a budget for the provision of the Free Breakfast Scheme.

<b>DD – Who did you consult?</b>		<b>What did they say?</b>
<b>1</b>	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	Supportive of the proposal to try to implement by April 2016. The reason for this suggestion is twofold – the possibility that an ICT based payment system could be installed by April and the need to maximise financial savings in view of the present budget constraints.
<b>2</b>	<b>Finance / Section 151</b> (mandatory)	Finance have been involved in developing this report and has no further comment to make.
<b>3</b>	<b>Legal / Monitoring Officer</b>	Suggestions made to clarify Paragraph C in

	(mandatory)	report –this has been actioned.
4	<b>Human Resources (HR)</b>	No comments from HR about the recommendations, current staff contracts remain the same as they are currently employed.
5	<b>Property</b>	
6	<b>Information Communication Technology (ICT)</b>	
7	<b>Scrutiny</b>	
8	<b>Local Members</b>	
9	<b>Any external bodies / other/s</b>	Governors, head teachers, CAB and Lleisiau Lleol propose this option as a result of the conclusions of their Task and Finish Group.

<b>E – Risks and any mitigation (if relevant)</b>		
1	<b>Economic</b>	No comments
2	<b>Anti-poverty</b>	The favoured option continues to ensure free school breakfast for all pupils.
3	<b>Crime and Disorder</b>	
4	<b>Environmental</b>	
5	<b>Equalities</b>	
6	<b>Outcome Agreements</b>	
7	<b>Other</b>	

<b>F - Appendices:</b>
<p>1. Breakfast Club Parent Consultation Report May 2015.</p> <p>2. Governors Response.</p>

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

## **Breakfast Club Report**

Report from the results of the survey circulated to parents of children in primary schools across Anglesey.

The survey was to look at options available to the schools that currently offer a free Breakfast club provision, but need to review the situation in light of service cuts, yet ensuring a quality provision for those families who need it.

The survey was circulated in different formats. As a paper copy through the primary schools, as electronic copies promoted via Facebook, twitter and collated through surveymonkey.

### **Current Situation**

Over the coming months, the Council will have to make decisions about how to reduce the amount it spends on services up to the value of £15m. This includes looking at the budget for Education. This means that the council will have to balance the need for cutting current budgets with raising the standards in the classroom, whilst minimising the impact of budget cuts on a schools' budget.

One area for possible discussion is that of breakfast clubs, which currently cost £385,000 to run. At this point in time, Breakfast Club is run free of charge in 46 of the 47 primary schools on Anglesey. This is a service that the Council must provide where the school governors have asked them to do so, when there is no "reasonable reason to refuse", and where the Breakfast Club has already been running since 2013. However the money provided by the Welsh Government to run the clubs is not kept separately within the overall council budget and could be used to pay for other services that the Council provides. It is because the Breakfast Clubs are funded by this pot of money from the Welsh Government that the County Council are unable to charge a fee. The Council will only make arrangements for a free Breakfast Club if the schools' Governing Body requests one. The Council however has the right to stop that provision where it judges that it is "unreasonable" to do so. There is no definition of "unreasonable", but a wide range of factors can be considered including the cost of the service, and the numbers of children using the club.

As an alternative to the existing free Breakfast Club scheme, the Council is now looking at options for a new scheme for primary schools, an early morning club "Clwb Bore Bach". One suggested option is for this new club to be open from 8:00 am – 8:50 am offering a preschool care club with a healthy breakfast as part of the provision. The club would be free for all pupils who are eligible for free school meals. The club would not make a profit, but a fee would be charged for the service to make sure it was sustainable, for instance £1 per child per morning. To make sure costs to families are kept at a minimum, no individual family would be expected to pay more than £12:50 a week in total for their childrens' club.

For the scheme to go ahead, the Governing Bodies of every school would need to agree. The Council would still be contributing to the scheme, with all pupils eligible for free school meals still attending the club for free. Parental contributions would help to make sure that the overall cost to the Council would be less than it is now, (up to 50% of the current budget), which would reduce the cuts to other areas of the Education budget.

## **Overview of Responses**

There was a fantastic response to this survey, with 1,035 responses gained, and the use of social media has played a huge role in this participation, with over 83% as a result of a Facebook post. The number of responses only equates to the number of families, as some respondents have a number of children attending, but only returned one survey.

With 799 of the respondents having children of primary school age, and of these, only 10.49% eligible for free school meals.

There were 1,000 responses to the question of how respondents travelled to school, but this increased number of responses was as a result of multiple answers from individuals. Noticeably, use of a private car was the highest response with over 52%, followed by those who walk to school coming in at 37%. 27 respondents used school transport to travel to school.

80% of respondents attended their catchment school.

Almost 93% of respondents attend breakfast club at their school, and 59% use the service for childcare, whilst 10 children have to use the service as the school transport arrives at school too early. 61 respondents use the service for their children to access a breakfast to enable a reduction in household costs.

93% of those who use the service as childcare do so to access work, which equates to 406 of all respondents.

As to the costs or ability to pay for the service, it was very close between those who responded that a charge of 80p - £1:00 would be acceptable, at 30%, while 32% indicated that any charge would have a significant impact on the household budget.

34% of respondents thought they would have to reduce the number of hours worked, or cease employment if a charge for the breakfast service was introduced, 27% indicated "other" as a response, and suggested ideas such as a lower charge, some were willing to pay, but 14% thought they would have to reduce essential spending, while 13.46% suggested they would have breakfast at home. Many respondents have no alternatives available to them, and feel as they have no choice but to accept the charge.

## Respondents

**Total responses were 1,035**

Of which completed:

<b>English</b>	<b>81.29 %</b>	<b>821</b>
<b>Welsh</b>	<b>18.71%</b>	<b>189</b>
<b>Totals:</b>		<b>1,010</b>

Format of responses

<b>Paper based responses (manual entry)</b>	<b>14.11%</b>	<b>146</b>
<b>Facebook response</b>	<b>83.19%</b>	<b>861</b>
<b>Other promotion (direct website responses)</b>	<b>2.42%</b>	<b>25</b>
<b>Totals:</b>		<b>1,035</b>

**Q2 Please confirm you have children of primary school age**

<b>Yes</b>	<b>89.98%</b>	<b>799</b>
<b>No</b>	<b>10.02%</b>	<b>89</b>
<b>Totals:</b>		<b>888</b>

**Q3 Are your children eligible for free school meals?**

<b>Yes</b>	<b>10.49%</b>	<b>83</b>
<b>No</b>	<b>89.51%</b>	<b>708</b>
<b>Totals:</b>		<b>791</b>

**Q4 How do your children travel to school? (please tick all that apply)**

<b>Walk</b>	<b>37.8%</b>	<b>378</b>
<b>Bike</b>	<b>6.1%</b>	<b>61</b>
<b>Private Car</b>	<b>52.2%</b>	<b>522</b>
<b>Official school transport e.g. bus/ taxi/ mini bus</b>	<b>2.7%</b>	<b>27</b>
<b>Public transport / taxi arranged privately</b>	<b>1.2%</b>	<b>12</b>
<b>Totals:</b>		<b>1000*</b>

\*Multiple responses from respondents

**Q5 Are your children attending the local catchment school?**

<b>Yes</b>	<b>80.48%</b>	<b>643</b>
<b>No</b>	<b>19.52%</b>	<b>156</b>
<b>Totals:</b>		<b>799</b>

**Q6 Do your children attend the breakfast club?**

<b>Yes</b>	<b>92.82%</b>	<b>737</b>
<b>No</b>	<b>7.18%</b>	<b>57</b>
<b>Totals:</b>		<b>794</b>

**Q7 Why do your children attend the breakfast club?**

<b>Breakfast (to reduce household expenditure)</b>	<b>8.33%</b>	<b>61</b>
<b>Social reasons</b>	<b>10.93%</b>	<b>80</b>
<b>Childcare</b>	<b>58.88%</b>	<b>431</b>
<b>Other (please specify)</b>	<b>21.86%</b>	<b>160</b>
<b>Total:</b>		<b>732</b>

Of the "others" recorded

<b>Health / mental health</b>	<b>2.67%</b>	<b>4</b>
<b>Social</b>	<b>12.67%</b>	<b>19</b>
<b>Transport (inc school transport)</b>	<b>6.67%</b>	<b>10</b>
<b>Work</b>	<b>71.33%</b>	<b>107</b>
<b>Other / no response</b>	<b>6.67%</b>	<b>10</b>
<b>Total:</b>		<b>150</b>

**Q8 Please tell us why you require childcare?**

<b>Employment</b>	<b>92.27%</b>	<b>406</b>
<b>Education</b>	<b>4.09%</b>	<b>18</b>
<b>Volunteering</b>	<b>0.68%</b>	<b>3</b>
<b>Other caring responsibilities</b>	<b>1.36%</b>	<b>6</b>
<b>Other (please specify)</b>	<b>1.59%</b>	<b>7*</b>
<b>Total:</b>		<b>440</b>

\*No responses indicated



**Q9. If a charge was introduced under a new scheme what could you reasonably afford to pay?**

<b>80p-£1 a day per child (up to the £12.50 cap)</b>	<b>30.08%</b>	<b>219</b>
<b>£1.00-£1.20 a day per child (up to the £12.50 cap)</b>	<b>7.28%</b>	<b>53</b>
<b>£1.20-£1.40 a day per child (up to the £12.50 cap)</b>	<b>4.81%</b>	<b>35</b>
<b>Any charge would significantly impact on household budget</b>	<b>31.87%</b>	<b>232</b>
<b>I/We cannot afford to pay for breakfast club</b>	<b>25.96%</b>	<b>189</b>
<b>Total:</b>		<b>728</b>

**Q10 Please tell us what options you would consider if the charge was introduced (please tick all that apply)**

<b>Alternative arrangements for childcare e.g. neighbour, friend</b>	<b>22.81%</b>	<b>190</b>
<b>Reduce non essential spending e.g. leisure , holidays etc</b>	<b>16.93%</b>	<b>141</b>
<b>Consider reducing hour/ ceasing employment</b>	<b>33.61%</b>	<b>280</b>
<b>Other (please specify)</b>	<b>26.65%</b>	<b>222</b>
<b>Total:</b>		<b>833</b>

Responses to “others”

<b>Breakfast at Home</b>	<b>13.46%</b>	<b>28</b>
<b>Arrival time governed by school transport or employment at the school</b>	<b>3.37%</b>	<b>7</b>
<b>Reduce essential spending</b>	<b>14.42%</b>	<b>30</b>
<b>Reduce employment / education or cease</b>	<b>7.21%</b>	<b>15</b>
<b>Stop going to breakfast club / eat at home</b>	<b>8.17%</b>	<b>17</b>
<b>Will Pay</b>	<b>30.77%</b>	<b>64</b>
<b>No response</b>	<b>13.94%</b>	<b>29</b>
<b>Uncategorised</b>	<b>8.65%</b>	<b>18</b>
<b>Total:</b>		<b>208</b>



**Cynllun Brecwast am Ddim, Gorffennaf 2015.**

**Free Breakfast Scheme, July 2015.**

Gofynnwyd i Gyrrff Llywodraethol ystyried yr opsiynau canlynol gan hysbysu'r Awdurdod o'r un sydd fwyaf ffafriol iddynt fel Corff. Mae'r tabl yn dangos yr ymatebion a dderbyniwyd.

*Governing Bodies were asked to consider the following options and to inform the Authority of the option that was most favoured by them as the Body. The table shows the responses received.*

Nifer ysgolion ymatebodd / *Number of schools responding* – 25 (54%)

Nifer yn methu ymateb oherwydd diffyg cworwm / *Number who could not respond because of no quorum* – 1.

Nifer yn datgan mai penderfyniad yr Awdurdod yw / *Number who stated that it is an Authority decision* – 2.

Nifer am gadw at y cynllun fel ac y mae / *Number to stay with the scheme as it is* – 1

<b><u>Opsiwn</u></b>	<b><u>Disgrifiad</u></b>	<b><u>Nifer ymatebion</u></b>	<b><u>%</u></b>
<b><u>Option</u></b>	<b><u>Description</u></b>	<b><u>Number of responses</u></b>	
1	Cadw at y cynllun presennol OND / <i>Keep to the present scheme BUT</i>		
1a	Newid cyflogaeth o awr i hanner awr gyda'r clwb yn rhedeg o 8.30 i 8.50.  <i>Change employment from an hour to half an hour with the club running from 8.30 to 8.50.</i>	4	<b>16%</b>
1b	Torri cyflogaeth goruchwyllo gan drefnu gwirfoddolwyr (ond dim yn y gegin)  <i>Cut employment of supervisors and arrange volunteers.(but not in the kitchen)</i>	0	

2	Corff Llywodraethol yn tynnu allan o'r Cynllun GAN  <i>Governing Body pulling out of the scheme AND</i>		
2a	Ymuno gyda Clwb Bore Bach  <i>Join the Clwb Bore Bach</i>	7	<b>28%</b>
2b	Trefnu cynllun eich hunain gan dderbyn cyllid datganoledig  <i>Arrange your own scheme by receiving delegated finance</i>	0	
3	Rhedeg clwb gofal rhwng 8.00 a 8.30 gan godi 75c ar bawb. Yna Clwb Brecwast am 8.30 i 8.50 am ddim. Defnyddio staff presennol ar y telerau presennol. Gall rhieni danfon eu plant i'r clwb brecwat erbyn 8.30 yn unig.  <i>Run a care club between 8.00 and 8.30 at a fee of 75p for all children. Then a Free Breakfast Club from 8.30 to 8.50. Use present staff at the present conditions. Parents can send their children to the breakfast club by 8.30 only.</i>	10	<b>40%</b>

### **Sylwadau / Comments**

#### **Opsion 1 Option.**

#### **Opsion 1a Option**

- Pwy sydd yn hysbysu staff?
- A fydd cytundebau newydd?
- Colli cyflogaeth
  
- *Who to inform staff?*
- *Will there be new contracts?*
- *Loss of employment*

### **Opsiwn 1b Option**

- Ni ellir dibynnu ar wirfoddolwyr
- *One cannot rely on volunteers*

### **Opsiwn 2a Option**

- Pryderon am gasglu arian man a gweinyddu'r cynllun.
- Teuluoedd gyda dyledion
- Cymhareb staff / disgyblion.
- Gall yr ysgol dynnu allan yn y dyfodol e.e. adolygu ymhen blwyddyn?
- *Concerns regarding collecting money and administering the scheme*
- *Families with debts*
- *Staff / pupil ratio*
- *Can the school pull out in the future e.g. review in a year?*

### **Opsiwn 2b Option**

### **Opsiwn 3 Option**

- Pwy sydd yn cadw'r 75c?
- Pwy sydd yn rhedeg y clwb - ysgol ynteu Awdurdod?
- Angen clwb gofal tan 8.50 i osgoi anawsterau goruchwyllo.
- Effaith 75c y dydd ar rai teuluoedd
- Eraill o'r farn fod 75c yn rhad
- Cadw 75c am 3 blynedd i roi sicrwydd
- Gosod amser pendant i rieni
- Pwy cyllido'r gweinyddu?
- *Who keeps the 75p?*
- *Who runs the club – school or Authority?*
- *Need for the care club to run until 8.50 to avoid supervision problems*
- *Effect of 75p on some families*
- *Others of the opinion that 75p is cheap*
- *Keep 75p for 3 years to give stability*
- *Place definite times for parents*
- *Who to finance the administration?*

### **Cyffredinol / General**

- Angen dewis opsiwn gyda'r gefnogaeth fwyaf gan yr Awdurdod.
- Pryd y daw unrhyw newidiadau i rym?
- Angen i ysgolion symud fel un
- Adolygiadau rheolaidd
- Sir i benderfynnu

- *Need to choose the option with the greatest support from the Authority*
- *When do any changes come into force?*
- *Need for schools to move as one*
- *Regular reviews*
- *Council to decide*

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# PRAWF BUDD Y CYHOEDD PUBLIC INTEREST TEST

*(Teitl yr Adroddiad/Title of Report)      Staff Appointments*

Paragraff(au) Llywodraeth Leol 1972 Paragraph(s) 12, 13, 14 Act 1972	Atodlen 12A Deddf  Schedule 12A Local Government
Y PRAWF – THE TEST	
<p>Mae yna fudd y cyhoedd wrth ddatgelu oherwydd / There is a public interest in disclosure as:-</p> <p>Mae hwn yn fater sy'n effeithio ar strwythur rheoli'r Cyngor ac, fel y cyfryw, mae gan y cyhoedd ddiddordeb uniongyrchol mewn cael eu hysbysu am faterion sy'n ymwneud â darparu, cost ac effeithionrwydd gwasanaethau yn cynnwys arbedion sy'n ymwneud â'r rheini.</p> <p>This is a matter which affects the Council's management structure and , as such, the public has a direct interest in being informed about matters which relate to the delivery, cost and efficiency of services including savings relating thereto.</p>	<p>Budd y cyhoedd with beidio datgelu yw / The public interest in not disclosing is:-</p> <p>Mae yna ddisgwyliad cyfreithiol y bydd materion sy'n ymwneud â gweithwyr unigol y Cyngor yn cael eu trin yn gyfrinachol. Mae gan y Cyngor ddyletswyd o ymddiriedaeth a hyder mewn perthynas â'i ymwneud â'i staff ac mae'r wybodaeth yn yr adroddiad sydd ynghlwm. Mae i'r adroddiad oblygiadau cyflogaeth i'r swyddogion sy'n cael eu heffeithio ac fe all toriad dianghenriad mewn cyfrinached adael y Cyngor, fel cyflogwr, yn agored i gamau cyfreithiol.</p> <p>There is a legal expectation that matters relating to individual employees of the Council are to be treated confidentially. The Council has a duty of trust and confidence in relation to its dealings with its staff and the information in the attached report. This report has employment implications for those Officers affected and any unnecessary breach of confidentiality may leave the Council, as employer, open to legal action.</p>
<p><b>Argymhelliad</b> - Mae budd y cyhoedd wrth gadw'r eithriad o bwys mwy na/llai na* budd y cyhoedd wrth ddatgelu'r wybodaeth. [* - dilêwch y geiriau amherthnasol]  <b>Recommendation</b> - The public interest in maintaining the exemption outweighs/does not outweigh* the public interest in disclosing the information. [* - delete as appropriate]</p>	





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# PRAWF BUDD Y CYHOEDD PUBLIC INTEREST TEST

**(Teitl yr Adroddiad/Title of Report)** *Pecynnau Taliadau Diswyddo i Brif Swyddogion*  
*Chief Officer Severance Packages*

Paragraff(au) Paragraph(s) 13, 14	Atodlen 12A Deddf Llywodraeth Leol 1972 Schedule 12A Local Government Act 1972
Y PRAWF – THE TEST	
<p>Mae yna fudd y cyhoedd wrth ddatgelu oherwydd / There is a public interest in disclosure as:-</p> <p>Mae budd i'r cyhoedd wybod am faterion sy'n ymwneud â sefydliad y Cyngor a gweithwyr y Cyngor gan eu bod yn weithwyr cyhoeddus. Mae diddordeb uniongyrchol gan y cyhoedd yng nghostau gwasanaethau ac arbedion effeithlonrwydd.</p> <p>There is public interest in knowing of matters which relate to the Council's establishment as public sector workers. The public have direct interest in the cost of services and efficiency savings.</p>	<p>Budd y cyhoedd with beidio datgelu yw / The public interest in not disclosing is:-</p> <p>Mae yna ddisgwyliad rhesymol fod pob mater sy'n ymwneud â gweithiwr unigol y Cyngor yn cael eu trin yn gyfrinachol. Mae'r adroddiad hwn â goblygiadau parthed pecynnau taliadau diswyddo ym ymwneud â rhai o swyddi'r uwch dim arweinyddiaeth a, gan ei fod yn bosib adnabod unigolion o gynnwys yr adroddiad, mae angen gwarchod datgelu materion ariannol preifat unigolion o'r fath.</p> <p>There is a reasonable expectation that all matters relating to an individual employee of the Council are treated confidentially. This report has implications in relation to the financial severance packages of senior leadership posts to be made redundant and, as it will be possible to identify individuals from the report's contents, there is a need to protect the disclosure of the private financial affairs of such individuals.</p>
<p><b>Argymhelliad</b> - Mae budd y cyhoedd wrth gadw'r eithriad o bwys mwy na budd y cyhoedd wrth ddatgelu'r wybodaeth. [* - dilêwch y geiriau amherthnasol]</p> <p><b>Recommendation</b> - The public interest in maintaining the exemption outweighs the public interest in disclosing the information. [* - delete as appropriate]</p>	

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