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CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

Dr Gwynne Jones.
Prif Weithredwr – Chief Executive

CYNGOR SIR YNYS MÔN
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RHYBUDD O GYFARFOD	NOTICE OF MEETING
PWYLLGOR GWAITH (CYLLIDEB)	THE EXECUTIVE (BUDGET)
DYDD MAWRTH 1 MAWRTH 2016 10.00 o'r gloch	TUESDAY 1 MARCH 2016 10.00 am
SIAMBR Y CYNGOR SWYDDFEYDD Y CYNGOR LLANGFNI	COUNCIL CHAMBER COUNCIL OFFICES LLANGFNI
Swyddog Pwyllgor	Ann Holmes 01248 752518 Committee Officer

Annibynnol/Independent

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

Plaid Lafur/Labour Party

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

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

Aled Morris Jones

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

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

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

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

A G E N D A

1 DECLARATION OF INTEREST

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

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

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

3 FINANCIAL RESERVES (Pages 1 - 18)

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

4 TREASURY MANAGEMENT STRATEGY 2016/17 (Pages 19 - 52)

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

5 FEES AND CHARGES 2016/17 (Pages 53 - 92)

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

6 2016/17 REVENUE AND CAPITAL BUDGET (Pages 93 - 136)

- To submit the report of the Head of Function (Resources)/Section 151 Officer.
- To submit the report of the Corporate Scrutiny Committee on scrutiny feedback.

7 CAPITAL BIDS 2016/17 (Pages 137 - 152)

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

8 COUNCIL TAX PREMIUMS FOR SECOND HOMES AND LONG TERM EMPTY PROPERTY (Pages 153 - 176)

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

9 STANDARD CHARGE FOR COUNCIL CARE HOMES 2016/17 (Pages 177 - 180)

To submit the report of the Head of Adults' Services.

10 INDEPENDENT SECTOR RESIDENTIAL AND NURSING HOME FEES 2016/17 (Pages 181 - 188)

To submit the report of the Head of Adults' Services.

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11 CHARGES AND FEES FOR NON-RESIDENTIAL SERVICES 2016/17 (Pages 189 - 196)

To submit the report of the Head of Adults' Services.

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ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	EXECUTIVE COMMITTEE
DATE:	1 MARCH 2016
SUBJECT:	USE OF RESERVES AND BALANCES
PORTFOLIO HOLDER(S):	COUNCILLOR H E JONES
HEAD OF SERVICE:	MARC JONES (EXT. 2601)
REPORT AUTHOR:	Marc Jones
TEL:	2601
E-MAIL:	rmjfi
LOCAL MEMBERS:	n/a
A - Recommendation/s and reason/s	
<p>1. PURPOSE OF THE REPORT</p> <p>1.1 The report will set out the Section 151 Officer's assessment on the level of general balances and reserves for 2016/17 and make recommendations as to the allocation of general balances for use during 2016/17.</p> <p>2. Recommendations</p> <ul style="list-style-type: none"> • To adopt the general policy on reserves and balances as noted in Appendix A; • To set the minimum level of general balances for 2016/17 as £5m in accordance with the Section 151 Officer's assessment; • To authorise the release of £1m from general balances for the creation of an Improvement Reserve; • That the Executive delegate to the Chief Executive and the Section 151 Officer the power to release funds from the Investment Fund to meet the cost of projects to be funded. The decision as to which projects receive funding to be taken jointly by the Executive and the SLT at the strategic meetings of the Executive; • To confirm the continuation of the existing earmarked reserves; • To authorise the return of £35,176 from the two unrequired earmarked reserves back to the Council's general balances. 	
B - What other options did you consider and why did you reject them and/or opt for this option?	
No other options considered – not appropriate in this case.	
C - Why is this decision for the Executive?	
The Constitution requires the Executive to publish its final budget proposal prior to its consideration by the Council	
CH - Is this decision consistent with policy approved by the full Council?	
N/A	
D - Is this decision within the budget approved by the Council?	
N/A	

DD - Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	
2	Finance / Section 151 (mandatory)	n/a – this is the Section 151 Officer's report
3	Legal / Monitoring Officer (mandatory)	No comments
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	
E - Risks and any mitigation (if relevant)		
1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	
F - Appendices:		
Appendix A - Proposed general policy on Reserves and Balances		
FF - Background papers (please contact the author of the Report for any further information):		

USE OF GENERAL BALANCES AND RESERVES

1. PURPOSE OF THE REPORT

- 1.1. Sections 32 and 43 of the Local Government Finance Act 1992 require Local Authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. Section 25 of the Local Government Act 2003 requires the Section 151 Officer to report formally on the adequacy of proposed reserves when setting a budget requirement and to ensure that there are key protocols for their establishment and use.
- 1.2. The report will set out the Section 151 Officer's assessment on the level of general balances and reserves for 2016/17 and make recommendations as to the allocation of general balances for use during 2016/17.

2. POLICY ON RESERVES AND BALANCES

- 2.1. In addition to the general balances, the Council holds a number of reserves on its balance sheet. The purpose of these reserves is to meet the cost of planned projects or to fund specific items of expenditure as and when they fall due.
- 2.2. The document attached as Appendix A sets out the overall principles and policy relating to determining the level of adequate reserves and balances and how reserves are utilised.

3. GENERAL BALANCES

- 3.1. As at 31 March 2015, the level of general balances stood at £7.193m an increase of £1.516m on the previous year.
- 3.2. During 2015/16, £500k of these general reserves has been allocated to fund budget pressures within Children's Services. The current projections show that in overall terms the revenue budget will remain within budget, after allowing for the release of £500k from general balances, although the situation may change during the final quarter of the financial year and as the 2015/16 accounts are finalised. However based on the current information the balance of general reserves as at 31 March 2016 will be £6.693m.
- 3.3. As stated in Appendix A, paragraph 5, it is for the Section 151 Officer to assess a number of risks in determining the level of general balances required. These risks are considered below:-
 - Future Cost Pressures – As budgets are reduced, the ability of individual services to utilise any spare capacity within their existing budgets to fund unexpected cost pressures is much more difficult and when cost pressures occur the funding of these pressures then falls on the general balances. The Council are currently facing budget pressures during 2015/16, notably in Children's and Adult Services. The better than expected settlement has allowed the Council to fund these cost pressures in the 2016/17 budget which reduces the risk of a further call being made on general balances. This is a situation that requires frequent review.
 - Savings – The 2016/17 budget includes a package of £3.4m in savings. The savings proposals have been subject to challenge and this resulted in over £900k of proposed savings not being included in the 2016/17 budget proposals as it was considered that they were not achievable during 2016/17. Although there is a risk that not all savings will be achieved, the challenge process that has taken place should ensure that the risk is minimised and that any subsequent call on general balances is not significant.

- Inflation and Interest Rates – The 2016/17 budget has assumed very low levels of inflation and interest rates. Known pay awards and contractual inflation have been allowed for within the budget. No inflation was allowed for on other budget headings. The current level of inflation is only slightly above zero and is not expected to increase significantly by March 2017. Base interest rates are currently 0.5% and again are not expected to increase in the foreseeable future. It is therefore assessed that the risk of significant increases in inflation or interest rates are low and that the current budgets will be sufficient to meet any increases that arise during 2016/17.
- Income – Ensuring that income budgets are achieved is always difficult to guarantee, particularly in discretionary services where customers can choose whether to purchase the service or not. The 2016/17 budget process has reviewed actual income trends and income budgets have been realigned where it was considered that actual income would be significantly lower than the budget. The risk that income targets will not be achieved cannot be ignored and may result in net expenditure exceeding the overall budget, with the shortfall then having to be funded from general balances.
- Track Record – Since 2010/11 the Council has underspent its net revenue budget in 3 of the 5 years and has seen the general balance rise from £6.7m in 2011 to £7.2m in 2015. This confirms that overall budgetary control arrangements are sound and that the risk of significant overspending against budgets is low, although it is recognised that this risk is increasing as budgets are reduced.
- Strength of the Financial Information Systems – A recent report on Financial Resilience issued by the Welsh Audit Office reports improvements in the areas of financial planning, financial control and financial governance and has assessed rated the Council as being low risk in all three areas. This gives comfort that the Council's processes in respect of budgeting and budget monitoring are robust and as a result this minimises the risk of significant overspending occurring which would have to be funded from general balances.
- Overall Financial Standing of the Council – The overall financial standing of the Council is currently good with a healthy level of general balances and earmarked reserves. The future capital programme is funded and the Council's Capital Financing Requirement around £25m lower than the operational boundary and £30m lower than the statutory authorised limit.

- 3.4.** There is no hard and fast rule as to the level of general balances that a Council should maintain, although a rule of thumb exists which indicates that the level of general balances should be 5% of the net revenue budget, excluding the delegated schools budget. Based on the proposed 2016/17 budget this would require the balance of general reserves to be in the region of £4.5m, which is £2m lower than the projected balance as at 31 March 2016.
- 3.5.** Holding general balances does provide financial security for the Council but holding balances unnecessarily results in financial resources not being utilised effectively. Having assessed the underlying financial risks faced by the Council, the limited flexibility that budget holders now have in managing their budgets and the need to release funding to deliver future efficiency savings it is my assessment that the minimum level of general balances should be set at £5m and that £1m can be released from general balances to deliver future efficiency savings. A further assessment should be made later in the 2016/17 financial year as to whether it is possible to release any further sums from general balances once the 2015/16 accounts have been finalised and budget monitoring reports for 2016/17 have been prepared.
- 3.6.** The allocation of the £1m fund to individual projects should be made after assessing the business case for each proposed project along with the savings each project will deliver.

4. EARMARKED RESERVES

4.1 Earmarked Reserves fall into distinct categories which are as follows:-

- Capital Reserves – reserves required to fund the capital programme;
- Restricted Reserves – reserves which are required to fund potential future costs, their use is restricted to a specific purpose and cannot be released for any other purpose, funds that are held by the Client on behalf of a third party or the reserve is linked to the delegated schools budget and cannot be reallocated.
- HRA Reserve – reserves that are ring fenced to the HRA;
- Insurance Reserve – a reserve required to fund the cost of any uninsured losses and policy excesses incurred by the Council;
- Grant Holding Reserves – reserves holding the amount of any unapplied grant received;
- Earmarked Reserves – Reserves that have been allocated to services to undertake particular projects.

4.2 The balance of the earmarked reserves as at 31 March 2015 and the projected balance as at the 31 March 2016 for each of the categories is shown in Table 1 below (a full breakdown of each category is attached as Appendix B).

Table 1

Summary of Earmarked Reserve Balances

Reserve Category	Balance as at 31 March 2015 £	Movement During 2015/16 £	Projected Balance as at 31 March 2016 £
Capital	770,233	54,110	824,343
Restricted	7,901,379	(2,610,439)	5,290,940
HRA	1,016,880	-	1,016,880
Insurance	2,160,620	(600,000)	1,560,620
Grant Holding	1,875,340	(141,500)	1,733,840
Earmarked	3,073,494	(550,227)	2,523,267
TOTAL	16,797,946	(3,848,056)	12,949,890

4.3 The capital reserve will increase by £54k due to lower requirement for revenue contributions to capital in the year.

4.4 The restricted reserve includes a number of significant individual reserves, notable the Pay & Grading reserve £2.5m, North Wales Waste Treatment Plant reserve £1.3m, Penhesgyn Site Management Reserve £2.0m, Education schools reserve £0.9m. Full use of the Job Evaluation reserve will be made during 2016/17 and the North Wales Waste Treatment Plant reserve and the Education Schools Reserve will be partly used in 2016/17. It is not expected that the Penhesgyn Site Management Reserve will be used in 2016/17 but it is necessary to maintain this reserve to fund any potential future costs.

- 4.5** During 2015/16, £600,000 of the insurance reserve has been released to fund the cost of roofing repairs at 3 leisure centres and to fund the additional cost relating to flood damage which is not covered by Welsh Government Grants. This leaves a balance of £1.56m in the reserve. The Risk and Insurance Manager has assessed that £1.25m is required to adequately cover the potential uninsured losses and excess payments. However the Council has been informed that an additional levy may be charged on the Council as a contribution to the cost of future claims relating to Municipal Mutual Insurance. The Scheme Administrator will be presenting his recommendations on the additional levy to the Scheme Creditors Committee on the 15 March 2016. It is therefore necessary to maintain the remaining balance of the reserve to meet this potential additional cost.
- 4.6** The HRA Reserve is ring fenced and can only be used to fund expenditure relating to the HRA. It is not anticipated that the reserves will be utilised in 2016/17.
- 4.7** The main grant holding reserves relate to the Supporting People Grant £1.5m and the Waste Recycling Grants £0.26m. Both reserves will be utilised during 2016/17 as grant funding is released to the revenue account.
- 4.8** The earmarked reserves relate to particular projects and the progress on the projects can vary from project to project. A review has been undertaken with services on the progress made and work has commenced and will be completed during 2015/16 or 2016/17. The review has identified two reserves where it is possible to return the reserve back to the general balances:-
- Bwrdd Adfer Reserve – Education - £30,176 – This work has been completed and the balance of the reserve can be returned to the general balances;
 - Leisure Golf Reserve - £5,000 – final costs were lower than estimated when the reserve was set up.

5. RECOMMENDATIONS

- 5.1** The Executive are requested to approve the following recommendations:-
1. To adopt the general policy on reserves and balances as noted in Appendix A.
 2. To set the minimum level of general balances for 2016/17 as £5m in accordance with the Section 151 Officer's assessment.
 3. To authorise the release of £1m from general balances for the creation of an Improvement Reserve.
 4. That the Executive delegate to the Chief Executive and the Section 151 Officer the power to release funds from the Investment Fund to meet the cost of projects to be funded. The decision as to which projects receive funding to be taken jointly by the Executive and the SLT at the strategic meetings of the Executive.
 5. To confirm the continuation of the existing earmarked reserves.
 6. To authorise the return of £35,176 from the two unrequired earmarked reserves back to the Council's general balances.

GENERAL POLICY ON RESERVES AND BALANCES

1. Purpose

The Isle of Anglesey is required to maintain adequate financial reserves to meet the needs of the organisation. The purpose of this policy is to set out the governance arrangements for the Use of Reserves and Balances to ensure they provide the Council with the flexibility it needs and also to ensure they are used to add value to the organisation.

2. Regulatory Context

Sections 32 and 43 of the Local Government Finance Act 1992 require Local Authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

There is no specified minimum level of reserves that an authority should hold and Section 25 of the Local Government Act 2003 requires the Section 151 Officer to report formally on the adequacy of proposed reserves when setting a budget requirement and to ensure that there are key protocols for their establishment and use.

This policy sets out the framework for the use and management of useable reserves, in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC) and agreed in accounting policies.

3. Types of Reserves.

Useable revenue reserves can be categorised in two ways:-

General reserves which are contingency to cushion the impact of unexpected events or emergencies; and

Earmarked Reserves which are generally built up to meet known or predicted liabilities.

Earmarked Revenue Reserves are usually created and held for one of the five main reasons below:-

- i. Renewals – to enable services to plan and finance an effective programme of vehicle and equipment replacement and planned property maintenance. These reserves are mechanisms to smooth expenditure so that a sensible replacement programme can be achieved without the need to vary budgets.
- ii. Carry forward of underspend – some services commit expenditure to projects, but cannot spend the budget in year. Reserves are used as a mechanism to carry forward these resources.
- iii. Trading accounts - in some instances surpluses are retained for future investment.
- iv. Insurance Reserve - to meet the estimate of future claims to enable the Council to meet the excesses not covered by insurance.
- v. Other earmarked reserves will be set up from time to time to meet known or predicted liabilities, for example future predicted budget demand pressures.

Whilst earmarked reserves are set against a specific purpose, general reserves are funds which do not have any restrictions as to their use. Such reserves can be used to smooth the impact of significant pressures across years, offset the budget requirement in year, and to mitigate the risks of unexpected events or emergencies.

General reserves can also be used to support investments designed to secure greater base budget savings.

4. Managing Reserves

The Council recognises the need to hold and maintain reserves but also recognises that, by choosing to hold or increase reserves, the Council is allocating resources away from other potential uses and, as such, there is an 'opportunity cost' of holding balances as reserves. For this reason, it is important to set out clearly, and regularly review, the framework through which such reserves are managed.

The management of financial reserves is a key tool of the Council's overall financial strategy, which has two key objectives:-

- Achieving stable and sustainable budgets throughout the medium term; and
- Ensuring resources are effectively focused on priorities.

Underpinning the achievement of these objectives is the recognition of the need to manage risk. This could be increased risks of volatility in planning assumptions as we continue to go through uncertain economic times or the risks to Welsh Government funding as a result of significant future funding reviews. However it could be that the business seeks to take greater business risks through innovative service delivery to achieve difficult savings targets. The greater the risks, the greater the reserves the Council are likely to need to hold to mitigate against this. It is the appreciation of such risks that must be at the forefront of the Section 151 Officer's mind.

5. Quantifying the Reserves Requirement

Setting the level of general reserves in one of several related decisions in the formulation of the Medium Term Financial Plan (MTFP) and the annual budget. This decision requires account to be taken of the strategic, operational and financial risks facing the Authority. Specifically, the MTFP requires the Council to build up and then maintain general reserves sufficient to cover the key financial risks that it faces.

The Section 151 Officer will need to consider many factors in determining the precise level of reserves, many of which involve an assessment of the risk of assumptions included in the budget and MTFP, together with the Council's financial standing and management.

The key factors are set out below:-

Budget Assumptions;
Financial standing and management;
General cash flow requirements, the outlook for inflation and interest rates;
The overall financial standing of the Council (level of borrowing, debt outstanding etc);
Estimates of the level and timing of capital receipts;
The Council's track record in budget and financial management, including the robustness of its medium term plans;
The potential range of costs of demand led services;
The Council's capacity to manage in year budget pressures;
Planned efficiency savings/ productivity gains;
The strength of the financial information and reporting arrangements;
The financial risks inherent in any significant new funding partnerships;
Major outsourcing arrangements or major capital developments;
The Council's virement and end of year procedures in relation to budget under/overspends;
The availability of other funds to deal with major contingencies and the adequacy of provisions;
The adequacy of the Council's insurance arrangements to cover major unforeseen risks.

An objective evaluation of these factors will be undertaken each year to determine a prudent level of general reserves cover based on an assessment of the above factors. However, the final level of reserves is ultimately subject to the Section 151 Officer's judgement, taking all relevant factors into consideration.

As part of the annual budget recommendation to the Council, the Section 151 Officer, will highlight the amounts that are being set aside for reserves.

6. Building Reserves

Should the Section 151 Officer consider that the level of General Reserves requires increasing, this will be achieved as part of the budget setting process, establishing an allocation from the annual budget to achieve the desired level of balances. Contributions to and from General Reserves should be reviewed annually. This will be additional to any amounts needed to replenish reserves that have been consumed in the previous year, to maintain the minimum level of reserves.

Earmarked reserves will be established on a 'needs basis' in line with the planned or anticipated requirements, and will be subject to Committee approval, usually as part of an annual reserves report that goes as part of the year end.

For each such reserve the Council will define:-

The purpose of the reserve;

How and when the reserve can be used;

Procedures for management and control of the reserve;

A process and timescale for review of the reserve to ensure continuing relevance and adequacy. This will generally take place at year end.

7. Use of Reserves

Reserves can only be used once, and so should not normally be used to finance recurring planned spending – for example they would not except under exceptional circumstances be used to 'balance the budget'.

Where reserves are used to support the delivery of the budget in any one year, for example to smooth funding fluctuations or pressures across years, the Council should ensure the reserves are replenished in the following year if necessary.

Where the Council has used general reserves for investment purposes to generate savings, these would also generally be paid back by the end of the following financial year. In exceptional cases, such as minimising the impact upon services to customers and citizens, more time would be allowed for replenishment, up to a maximum of four years, in line with the medium term planning cycle.

Use of General Reserves will be subject to the Section 151 Officer and, in some cases, the Executive Committee approval. The creation of earmarked reserves will also be subject to the approval of the Section 151 Officer, once this level of approval has been given, drawdowns against the reserve can be made subject to the criteria being met.

In extreme circumstances, where general reserves have been exhausted due to unforeseen spending pressures within a given financial year, the Council would be able to draw down from its earmarked reserves to provide short term resources, but this would not be sustainable, and balances would need to be restored.

Earmarked reserves that have been used to meet a specific liability would not be replenished, having served the purpose for which they were originally established.

8. Service Reserves

Individual service reserves were combined to create one Corporate Service Reserve, individual services at year end are now be able to put in proposals /bid for the use of the funds held within the Reserve.

The use of this Corporate Service Reserve will be subject to the approval of the Section 151 Officer and, in some cases, the Portfolio Holder for Finance or the Executive. Once this approval has been given the draw down against the reserve can be made.

9. Capital Reserves

The capital programme for 2015/16 fully utilises all available reserves down to the minimum level. The future expectation of capital receipts for strategic asset sales has not yet been built into the capital programme.

Good asset management strategies have included in them the replenishment of assets following on from strategic asset sales, so that there will be assets of a strategic value on the balance sheet for future years.

The capital receipts from such strategic assets sales are a valuable source of capital financing but equally a proportion of these proceeds needs to be reinvested for either revenue return or for investment in other assets that, over time, will increase in value and form part of future years' capital financing.

A proportion of all strategic asset capital receipts should be ear-marked for reinvestment, either for investment to produce future financing sources financing or to create a revenue income stream.

A Capital Investment reserve will be created and, on receipt of proceeds of sales, a proportion will be added to this reserve. Capital schemes that either propose reinvestment in assets or revenue income streams will be considered for funding from this earmarked reserve, to complement the current capital programme schemes funded by general capital receipts reserves.

Similarly, the capital funds allocated to Compulsory Purchase Orders will be replenished from the capital receipts on the sale of the acquired properties. This will then form the basis of a rolling fund for the compulsory purchase orders issued.

10. Insurance Reserve

The insurance reserve figure was historically built up over time in order to cover the stop losses under the insurance the larger insurance policies. The level of the Insurance Reserve will be reviewed at least annually by the Risk and Insurance Manager and agreed with the Section 151 Officer.

Reserves Balances to date

	Directorate	Reserve	Category	Total b/f	Is this reserve likely to be spent in full during 2015/16	Is a request to carry forward to 16/17 likely, if so for what value?
1	Corporate	Revenue Contributions Unappl'd	CAPITAL EXPENDITURE	770,232.77		
2	Corporate & Democratic - Resources Risk & Insurance	Insurance (Catastrophe) Res	INSURANCE FUND	2,160,620.40		YES - ongoing rolling reserve
3	Corporate - HR	Job Evaluation	RESTRICTED	2,527,929.34	Spend on the JE team in 14/15 was £245k, however 15/16 likely to be higher.	YES - Spend on the JE team likely to be in region of £250k - £300k. Remaining value to be carried over to fund Single Status effect in 16/17 (see budget setting for value). 15/16 to use provision for back pay. Query will the JE contingency be transferred in to addition to this?
4	Community Services - Housing Services HRA	HRA Major Repairs Reserve	HRA	860,410.00	Ringfenced to HRA - Reserve will need to be moved to main HRA reserve ZQ002 as this reserve was set up following the English HRA funding model that is not used in Wales.	YES - under ZQ002
5	Education – Lifelong Learning	School Days Reserve	RESTRICTED	-66,860.00	Deficit will not be cleared in 2015/16	YES - full balance. This is a delegated fund to all schools which is utilised to compensate for the fluctuations between the school year dependent on when Easter falls within the calendar. The reserve is in deficit and will not be used to compensate for additional days, but will be topped up in years when school days reduce until reserve is cleared, following that a reserve will no longer be required. The deficit balance will continue beyond 15/16.

6	Social Services - Adult Services Mental Health	Section 117 Res	RESTRICTED	150,000.00		YES - as this is based on claims received from M.H clients
7	Lifelong Learning - Culture	Museum Purchase Fund	RESTRICTED	12,610.12	This reserve is likely to be requested to next financial year along with 2015/16 contributions, increasing this reserve	YES - full balance. This is ring fenced funding from donations and cannot be used for any other purpose.
8	Economic & Community Regeneration - Leisure	Leisure Improvement Reserve	EARMARKED	173,600.24	Gareth Roberts to advise as this relates to capital expenditure e-mail has been sent querying the progress of this reserve	
9	Sustainable Development - Waste Management	Penhesgyn Site Mngmt Reserve	RESTRICTED	2,000,000.00	NO	YES
10	Sustainable Development Waste Management	Waste Res/Recycling	GRANT HOLDING	263,981.40	No, as the intended use stated in the notes will not be continuing. This however does not change the fact that these funds are restricted by WG and therefore not available to claim back to the centre. May be used in 2016/17 to purchase trolley boxes/additional recycling boxes.	YES - WG restrictions on these funds
11	Corporate	Cost Of Change	EARMARKED	596,877.18	NO	YES - projects as noted to be funded through this reserve
12	Education - Lifelong Learning	R&M Scheme Primary	RESTRICTED	81,011.60	No	YES - full balance - this is a delegated budget
13	Education - Lifelong Learning	Sick/Ads Scheme-Primary	RESTRICTED	134,046.56	No	YES - full balance - this is a delegated budget
14	Planning and Public Protection	Licence Reserve	EARMARKED	23,000.00	NO	YES - Service has requested that this be carried forward to 16-17 as it may be needed to fund the transition from Flare database to all Wales database (Tascomi)

15	Environmental & Technical Transportation	Highway Airport 0607 Earmarked	RESTRICTED	14,742.91	NO	YES - Marketing costs for the airport to be used as needed, Rolled over from year to year.
16	Sustainable Development Waste Management	NWW Treatment Plant	RESTRICTED	1,306,249.82	NO	YES - see notes, this is not council controlled funds
17	Economic & Community Regeneration - Energy Island	Energy Island Economic Dev Res	EARMARKED	218,359.85	Not likely to be spent during 2015/16 Residual Balance to be carried forward as no funding to continue the programme	YES - full value at this stage and any residual balances from BH600.
18	Sustainable Development - Property Services - Estates & Valuation	Property Restricted Res 2011-12	RESTRICTED	121,314.05	Dependant on Assert Rationalisation programme being completed within the financial year but highly unlikely.	YES - Dependant on whether any further assets are sold. Unknown quantity at this stage.
19	Social Services	Wellington St - SS	RESTRICTED	66,466.68		YES - as this is client money not that of the authority
20	Education -Lifelong Learning	Schools Rationalisation	RESTRICTED	912,926.00	No	YES - full balance - this is a delegated budget
21	Sustainable Development	Developer Contribution Highways	RESTRICTED	149,550.00	YES	NO
22	Corporate	New Ledger Team Civica Re-Launch	EARMARKED	120,217.52	YES	NO
23	Community Services - Housing Services	Supporting People	GRANT HOLDING	1,524,027.94	NO	YES - This grant is WG funded and approved therefore will need to be carried forward and unable to be clawed back to the centre.
24	Community Services - Housing services HRA	HRA Earmarked Reserves	HRA	156,469.55	Ringfenced to HRA - Reserve will need to be moved to main HRA reserve ZQ002 as this reserve was set up following the English HRA funding model that is not used in Wales.	YES - under ZQ002
25	Education - Lifelong Learning	ELWA Post 16 Funding Reserve	RESTRICTED	66,414.48	NO	YES - full balance - this is a delegated budget

26	Education - Lifelong Learning	Bwrdd Adfer Reserve	EARMARKED	30,176.32	NO	Request submitted to transfer the remaining balance back to general balances as expenditure has ceased.
27	Economic & Community Regeneration - GRANTS	Economic Development Restricted Res	EARMARKED	32,356.92	Had been recorded as storm damage grant - NOT CORRECT. This actually relates to SETS contingency for Match funding claw back purposes. Spends dependant on WEFO audit not yet confirmed. Highly un likely to be spent in 2015/16.	YES - for full value
28	Corporate	Webcasting	GRANT HOLDING	9,434.00	NO	YES - in full
29	Community Services /HR	SCWDP HR	GRANT HOLDING	65,026.17	NO	YES
30	Economic & Community	HOS - Economic Development	EARMARKED	93,500.00	Not in full as this bid is for a longer term project	YES - part of this will be as this project is for a longer term project
31	Economic & Community Regeneration Leisure	Holyhead Leisure Centre	EARMARKED	20,000.00		NO
32	Children Services - Child Placement Service	Invest to save Child Placement Service	EARMARKED	45,420.00		
33	Social Services - Adults and Children Services	Transformation	EARMARKED	467,510.00	Part of this will be spent as this reserve is to fund a two year transformation	YES - this reserve is to cover a two year period, this may increase as £80k also for this purpose in contingencies

34	Housing	Homeless Provision	EARMARKED	92,700.00	Plans in place to spend the reserves during 2015/16, but a possibility that some may not come to full fruition until 2016/17, unable to quantify this at this stage, as involve homelessness which is traditionally more of a problem over the Winter months, to be reviewed during Q3 monitoring in a few weeks an fed back then.	YES
35	Housing	Landlord Tenant Improvements	EARMARKED	20,000.00	Plans in place to spend the reserves during 2015/16, but a possibility that some may not come to full fruition until 2016/17, unable to quantify this at this stage, as involve homelessness which is traditionally more of a problem over the Winter months, to be reviewed during Q3 monitoring in a few weeks an fed back then.	YES
36	Housing	Affordable housing	EARMARKED	117,500.00	Plans in place to spend the reserves during 2015/16, but a possibility that some may not come to full fruition until 2016/17, unable to quantify this at this stage, as involve homelessness which is traditionally more of a problem over the Winter months, to be reviewed during Q3 monitoring in a few weeks an fed back then.	YES

37	Housing	Housing Management	EARMARKED	110,000.00	Plans in place to spend the reserves during 2015/16, but a possibility that some may not come to full fruition until 2016/17, unable to quantify this at this stage, as involve homelessness which is traditionally more of a problem over the Winter months, to be reviewed during Q3 monitoring in a few weeks and fed back then.	YES
38	Sustainable Development Planning and Public Protection	Forestry Commission	RESTRICTED	11,528.00	Part of this may be used in 2015/16	YES - these funds are Forestry Commission money with restrictions on the authority on their use.
39	Economic & Community Regeneration	EU Projects Reserve	EARMARKED	50,000.00	Dependant on WEFO audit yet to be confirmed, not likely to be completed during 2015/16.	YES, full value at this stage
40	Economic & Community Regeneration	Major Developments	EARMARKED	217,397.19	fully expect anticipate that this will reserve (project balance) will need to be retained.	YES, Full Value and any residual balances from 2015-16 close down
41	Property Services - Repairs and Maintenance	Building Risk R & M	RESTRICTED	100,000.00	Yes	NO likely under spends at this stage
42	Council Business - Land charges	Land Charges computer system	EARMARKED	16,850.00	Arcus Global has been selected as system provider. System implementation is currently estimated to be March/April. Depending on the timing of the implementation there may be slippage into 16/17.	If system is not implemented in March then the funds will need to be carried forward into the new financial year.

43	Council Business - Legal Section	Purchase of new Legal Case Management System (regional)	EARMARKED	30,000.00	There is some dispute as to the effectiveness of the new regional system. The department have decided to wait until the system is implemented at another authority before committing fully to expenditure.	A decision will be made before the end of the financial years to whether to join the regional system. If the decision is yes then the funds will need to be carried forward to 16/17. If no then the funds can be clawed back to the centre less any cost already incurred.
44	Deputy Chief Exec - ICT	Anglesey Connected	EARMARKED	38,266.74	No	Full amount in reserve for Anglesey Connected should be £56k. This is required to support the Anglesey Connected network while users migrate to the new PSBA. The full £56k will need to be carried forward if nothing is spent on Anglesey Connected
45	Lifelong Learning - Education	Invest to save - automated online payment system for schools re meal payments	EARMARKED	50,000.00	Possibly will be spent in March but not certain as this may slip into 2016/17	YES - at present will either be used in March or a request for funds to be carried into 2016/17 for use early in the year.
46	Resources	Revenues and Benefits	EARMARKED	210,000.00	No. There is some confusion as to when this reserve was approved. The department were unaware that it had been approved therefore no action has been taken to implement projects	Yes. The full amount will be requested to be carried forward.
47	Lifelong Learning - Culture	Estyn Allan y Gogledd	EARMARKED	3,448.00	This money is not council money, consequently this means any balance in the pot at the end of the financial year must be carried forward	YES
48	Corporate HR	Smarter Working Training	EARMARKED	30,000.00	Not likely to be spent due to a delay in the smarter working projects	YES - full amount
49	Lifelong Learning - Culture	Museums General (was orig 78)	EARMARKED	16,314.00	This reserve has no expenditure to date, however the intention is to spend this value in full by the end of March.	

50	Corporate - Finance	Development of the Civica System and associated Financial Activities	EARMARKED	250,000.00	187,000 to be drawn down in P13.	£63k likely to be carried forward in order to fund agency staff until end of contracts in June 2016
51	Waste Management	Recycling Process Income	RESTRICTED	178,248.59	NO	YES - see notes on restrictions issues by WG
52	Sustainable Development - Planning	PIF Grant	GRANT HOLDING	12,870.64	NO	YES - WG grant funds to be used for grant purposes only, to be used when required
53	Sustainable Development - Highways	Highways Restricted Grants Res Forestry comm	RESTRICTED	11,528.00		There should only be one reserve for £11,528. This one is possibly a duplication of no 77 above - look into historic reserves and bid forms
54	Sustainable Development - Highways	Highways Restricted Grants Res Flood Grant	RESTRICTED	50,000.00	NO	YES - These funds are WG grant funds which have been allocated for a specific purpose of working with Conwy on flood mitigation projects, WG will claw back if not used as in conditions.
55	Sustainable Development - Highways	Highways Restricted Grants Res coastal Pat	RESTRICTED	7,552.68	NO	YES - WG grant related funds with restrictions
56	Sustainable Development - Highways	Highways Restricted Grants Res Airport CP Income	RESTRICTED	4,861.21	NO	YES - WG grant related funds with restrictions
57	Sustainable Development - Property Services	Property Restricted Res Small Holdings	RESTRICTED	11,259.11		YES - ongoing ringfenced reserve for small holdings
58	Economic & Community Regeneration - Leisure	Leisure - Golf	RESTRICTED	50,000.00	No, £5,000 to be transferred back to the centre as verbally requested	NO
	LEDGER TOTALS			16,797,945.98		

ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	EXECUTIVE COMMITTEE
DATE:	01 MARCH 2016
SUBJECT:	TREASURY MANAGEMENT STRATEGY STATEMENT 2016/17
PORTFOLIO HOLDER:	COUNCILLOR H E JONES
LEAD OFFICER:	MARC JONES
CONTACT OFFICER:	CLAIRE KLIMASZEWSKI /GARETH ROBERTS (EXT: 1865/2675)
Nature and reason for reporting	
<p>The Council is required to implement best practice in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management which recommends that, prior to being presented for adoption, Members should scrutinise the Treasury Management Strategy Statement (which includes the Annual Investment Strategy, the annual MRP Policy Statement, the annual Treasury Management Policy Statement and the Treasury Management Scheme of Delegation). This Authority's Treasury Management Scheme of Delegation charges the Audit Committee with this function and Annex A to this report was presented to the Audit Committee on 18 February 2016. This report complies with the 2015/16 Treasury Management Scheme of Delegation, which requires this committee to receive and review this report prior to being passed to the full Council for approval. This report runs alongside the capital and revenue budget reports as part of the 2016/17 budget setting process.</p>	
A - Recommendation/s and reason/s	
<p>1. This report and Annex (as detailed in the section above, sections 2 to 4 below and including Annex A) was presented to the Audit Committee on 18 February 2016. That Committee resolved to:-</p> <ul style="list-style-type: none"> • Note the contents of the covering report; and • Endorse the Treasury Management Strategy Statement (including the Prudential and Treasury Management Indicators) [Annex A] for 2016/17. <p>The Audit Committee did not resolve to pass any comments or recommendations on to this Committee.</p> <p>2. The CIPFA Code of Practice on Treasury Management (Section 7) recommends that the Authority's Treasury Management Practices should be approved, documented and monitored. It goes on to state that the nature and extent of the involvement of an organisation's responsible body in approving and monitoring its TMPs and accompanying schedules is a matter for local decision and recognises that in some organisations this may be delegated to the responsible officer. In all cases it should be subjected to scrutiny by the responsible body following recommendations by the responsible officer. This Authority does not currently have documented TMPs but it is intended that this will be resolved in 2016/17 and presented at the earliest opportunity to the relevant committees, in line with the proposed Treasury Management Scheme of Delegation for 2016/17.</p> <p>3. In terms of updates to the Treasury Management Strategy Statement there is no proposed amendment to the core principals and policies of the 2015/16 Statement</p> <p>4. The Council's external borrowing stood at £110.7m as at 22 January 2016, this is expected to be the position at 31 March 2016. The borrowing is made up of fixed and variable rate. The fixed rate borrowing stood at £110.5m with an average life of 25 years, and average interest rate of 5.52%. The variable rate of borrowing stood at £0.2m with an average life of 10 years and an average interest rate of 9.41%. The anticipated cost of borrowing for 2015/16 is £5.6m and the forecast underlying need to borrow at the yearend is £130.2m. This means that the Council will be internally borrowed by £19.5m by the year end.</p>	

The Council's investment as at 22 January 2016 stood at £28.4m with an average rate of return of 0.37% and the average balance for the year to date is £27.9m. As internal borrowing has increased the investment balances have decreased.

5. Recommendations:-

5.1 Note the contents of the covering report.

5.2 Endorse the contents of, and assumptions and proposals made within, the Treasury Management Strategy Statement (including the Prudential and Treasury Management Indicators) for 2016/17 (Annex A to this report).

5.3 To pass on any comments and/or recommendations to the County Council.

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?

To comply with this Authority's budget setting process and Treasury Management Scheme of Delegation.

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?

1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	
2	Finance / Section 151 (mandatory)	n/a – this is a S151 Officer report
3	Legal / Monitoring Officer (mandatory)	
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	

E - Risks and any mitigation (if relevant)

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

F - Annexes:

Annex A: Treasury Management Strategy Statement and Prudential and Treasury Indicators for 2016/17.

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

- Treasury Management Strategy Statement 2015/16 (as approved by the Council on 26 February 2015);
- Capital and revenue 2016/17 budget setting papers (as separately reported to this Committee).

TREASURY MANAGEMENT STRATEGY STATEMENT

ANNUAL INVESTMENT STRATEGY, MINIMUM REVENUE PROVISION POLICY STATEMENT AND TREASURY MANAGEMENT POLICY STATEMENT 2016/17

1. Introduction

1.1 Background

The Council is required to operate a balanced budget, meaning that total income due during the financial year must be sufficient to meet expenditure, and also that actual cash inflows must be adequate to cover cash outflows. A key part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's policy to minimise risk ensuring adequate liquidity before considering investment return.

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

A particular point is that a local authority must calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This means that:-

- increases in revenue costs resulting from increases in interest charges, incurred to finance additional borrowing to finance capital expenditure; and
- any increases in running costs from new capital projects, must be limited to a level which is affordable within the Council's projected income.

The Treasury Management Policy Statement defines the policies and objectives of the treasury management activities. See Appendix 10.

1.2 Reporting Requirements

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are required to be adequately scrutinised by committee before being recommended to the Council. This role is undertaken by the Audit Committee.

Prudential and Treasury Management Indicators and Treasury Strategy - The first and most important report, covers:-

- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury management indicators;
- an Investment Strategy (the parameters on how investments are to be managed);
- a Minimum Revenue Provision (MRP) Policy (how residual capital expenditure is charged to revenue over time);
- a Treasury Management Policy Statement (definition of the policies and objectives of the treasury management function); and
- the capital plans (including the associated prudential indicators).

A Mid-Year Treasury Management Report - This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting its objectives or whether any policies require revision.

An Annual Treasury Report - This provides details of a selection of actual prudential and treasury management indicators and actual treasury operations compared to the estimates within the strategy.

1.3 Treasury Management Strategy for 2016/17

The strategy for 2016/17 covers two main areas:-

Capital Issues

- The capital plans and the prudential indicators; and
- the minimum revenue provision (MRP) strategy.

Treasury management Issues

- The current treasury position;
- treasury management indicators which will limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the Welsh Government MRP Guidance, the CIPFA Treasury Management Code and the Welsh Government Investment Guidance.

1.4 Training

The CIPFA Code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny. In order to support the scrutiny role of the members of the Audit Committee, the committee's members received training in treasury management, delivered by the appointed treasury management consultants during the summer of 2014. Further training will be arranged in the near future.

The training needs of treasury management officers are regularly reviewed and addressed.

1.5 Treasury management consultants

The Council uses Capita Asset Services, – Treasury Solutions (herein referred to as Capita) as its external treasury management advisors. In accordance with procurement regulations the Treasury Management advisory service will be advertised for tender for the period 1 April 2016 to 31 March 2019 with an option to extend for 2 years.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

1.6 Adoption of the Code

The Council is required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. The current, 2011, code of practice has already been adopted by this Council therefore no update is required for 2016/17. In addition the authority follows guidance in the CIPFA Prudential Code 2013 which supplements the CIPFA code of practice on Treasury Management.

1.7 Housing Revenue Account (HRA) Buy-out

The Executive report of 26 February 2015 for the authority's Treasury Management Strategy 2015/16 highlighted the planned exit of the HRA in point 5. It also referred to appendix 11 and 12 for further information on this. On 2 April 2015/16 the HRA buy-out was completed and £21.2m was borrowed from the PWLB for this. The council proceeded with the buy-out as the council generate more income from the freedom this allows and will no longer be required to pay the annual HRA subsidy to Welsh Government. The Council has adopted a one-pool approach for loans which means that the costs of borrowing are averaged between the general fund and HRA in proportion to their respective debts.

2. Capital Considerations

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

The Authority's capital expenditure projections for 2016/17 to 2018/19 are reflected in the Prudential Indicators (Appendix 11). The projected expenditure for 2016/17 to 2018/19 is based on the capital bids recommended for approval by The Council at its meeting 10th March 2016 in accordance with the 2015/16 Capital Strategy. The projections for those years also includes the assumption that slippage from 2015/16 will be fully spent in 2016/17.

The overall programmes will be limited to what is affordable, both in terms of actual capital spend and in terms of the revenue implications (see 1.1 above). The prudential indicators are contained in Appendix 11.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need, which can be seen in table 3.1.

Capital expenditure £'000m	2014/15 Actual	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Non-HRA	15,768	18,210	33,900	17,830	23,980
HRA	5,519	6,960	14,900	7,670	6,400
Total	21,287	25,170	48,800	25,490	30,380
Financed by:					
Capital receipts	2,427	2,830	2,120	500	0
Capital grants	11,332	13,390	21,120	14,690	23,730
Capital reserves	0	0	500	0	0
Revenue	2,863	4,310	12,290	5,030	3,750
Net financing need for the year	4,665	4,640	12,770	5,270	2,900

3. Borrowing

The capital expenditure plans, set out in a separate report to the Executive Committee, provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury/prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Current and Projected Borrowing Requirement and Actual Borrowing

The forecast movements in the Council's capital financing requirement (CFR) are:-

ESTIMATED MOVEMENTS IN THE CAPITAL FINANCING REQUIREMENT AND REPLACEMENT BORROWING 2015/16 TO 2018/19				
	2015/16 Projected £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
Movement in the CFR				
New borrowing to support capital expenditure				
<i>Supported Borrowing</i>	1,700	2,776	2,189	2,189
<i>Unsupported Borrowing</i>	24,100	11,035	3,785	2,360
Total	25,800	13,811	5,974	4,549
<i>Reduce by: Minimum Revenue Provision and set aside capital receipts</i>	(4,199)	(4,711)	(5,136)	(5,033)
Net movement in the CFR	21,601	9,100	838	(484)
Potential movements in actual borrowing				
Movement in the CFR (above)	-	9,100	838	(484)
Externalisation of pre 2016/17 internal borrowing	-	19,435	-	-
Replacement Borrowing	-	9	5,509	5,010
Total potential new borrowing	-	28,544	6,347	4,526

3.2 Prospects for Interest Rates

The Council's appointed treasury advisor is Capita Asset Services and part of their service is to assist the Council to formulate a view on interest rates. Appendix 3 draws together a number of current City forecasts for short term (Bank Rate) and longer fixed interest rates. The following table gives the Capita central view.

Annual Average (%)	Bank Rate (%)	PWLB Borrowing Rates (including certainty rate adjustment)		
		5 year	25 year	50 year
March 2016	0.50	2.00	3.40	3.20
June 2016	0.50	2.10	3.40	3.20
September 2016	0.50	2.20	3.50	3.30
December 2016	0.75	2.30	3.60	3.40
March 2017	0.75	2.40	3.70	3.50
June 2017	1.00	2.50	3.70	3.60
September 2017	1.00	2.60	3.80	3.70
December 2017	1.25	2.70	3.90	3.80
March 2018	1.25	2.80	4.00	3.90
June 2018	1.50	2.90	4.00	3.90
September 2018	1.50	3.00	4.10	4.00
December 2018	1.75	3.10	4.10	4.00
March 2019	1.75	3.20	4.10	4.00

UK. UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and although the 2015 growth rate is likely to be a leading rate in the G7 again, it looks likely to disappoint previous forecasts and come in at about 2%. Quarter 1 of 2015 was weak at +0.4% (+2.9% y/y) though there was a slight increase in quarter 2 to +0.5% (+2.3% y/y) before weakening again to +0.4% (2.1% y/y) in quarter 3. The November Bank of England Inflation Report included a forecast for growth to remain around 2.5 – 2.7% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero since February 2015. Investment expenditure is also expected to support growth. However, since the August Inflation report was issued, most worldwide economic statistics have been weak and financial markets have been particularly volatile. The November Inflation Report flagged up particular concerns for the potential impact of these factors on the UK.

The Inflation Report was also notably subdued in respect of the forecasts for inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon was the biggest since February 2013. However, the first round of falls in oil, gas and food prices over late 2014 and also in the first half 2015, will fall out of the 12 month calculation of CPI during late 2015 / early 2016 but a second, more recent round of falls in fuel and commodity prices will delay a significant tick up in inflation from around zero: this is now expected to get back to around 1% by the end of 2016 and not get to near 2% until the second half of 2017, though the forecasts in the Report itself were for an even slower rate of increase. However, more falls in the price of oil and imports from emerging countries in early 2016 will further delay the pick up in inflation. There is therefore considerable uncertainty around how quickly pay and CPI inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate.

The weakening of UK GDP growth during 2015 and the deterioration of prospects in the international scene, especially for emerging market countries, have consequently led to forecasts for when the first increase in Bank Rate would occur being pushed back to quarter 4 of 2016. There is downside risk to this forecast i.e. it could be pushed further back.

USA. The American economy made a strong comeback after a weak first quarter's growth at +0.6% (annualised), to grow by no less than 3.9% in quarter 2 of 2015, but then pulled back to 2.0% in quarter 3. The run of strong monthly increases in nonfarm payrolls figures for growth in employment in 2015 prepared the way for the Fed. to embark on its long awaited first increase in rates of 0.25% at its December meeting. However, the accompanying message with this first increase was that further increases will be at a much slower rate, and to a much lower ultimate ceiling, than in previous business cycles, mirroring comments by our own MPC.

EZ. In the Eurozone, the ECB fired its big bazooka in January 2015 in unleashing a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it was intended to run initially to September 2016. At the ECB's December meeting, this programme was extended to March 2017 but was not increased in terms of the amount of monthly purchases. The ECB also cut its deposit facility rate by 10bps from -0.2% to -0.3%. This programme of monetary easing has had a limited positive effect in helping a recovery in consumer and business confidence and a start to some improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.3% y/y) but has then eased back to +0.4% (+1.6% y/y) in quarter 2 and to +0.3% (+1.6%) in quarter 3. Financial markets were disappointed by the ECB's lack of more decisive action in December and it is likely that it will need to boost its QE programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

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

Portugal and Spain. The general elections in September and December respectively have opened up new areas of political risk where the previous right wing reform-focused pro-austerity mainstream political parties have lost their majority of seats. An anti-austerity coalition has won a majority of seats in Portugal while the general election in Spain produced a complex result where no combination of two main parties is able to form a coalition with a majority of seats. It is currently unresolved as to what administrations will result from both these situations. This has created nervousness in bond and equity markets for these countries which has the potential to spill over and impact on the whole Eurozone project.

- Investment returns are likely to remain relatively low during 2016/17 and beyond;
- Borrowing interest rates have been highly volatile during 2015 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. Gilt yields have continued to remain at historically phenomenally low levels during 2015. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt;
- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

3.3 Borrowing Strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This approach is prudent as investment returns are low and counterparty risk is high, and will continue to be followed where appropriate (see 3.3.1 below for a more detailed consideration of internal and external borrowing). As part of this strategy the ability to externally borrow to repay the reserves and balances if needed is important. Table 3.1 indicates that £19.345m may need to be externally borrowed if urgently required. This is the amount of council reserves and balances used in the past to fund the capital programme instead of taking out borrowing.

Against this background and the risks within the economic forecast, caution will be adopted with the 2016/17 treasury operations. The S151 Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:-

- if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered if it is cost effective to do so.

- if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years

3.3.1 External v. internal borrowing

Current conditions indicate a need for a flexible approach to the choice between internal and external borrowing. Many of the factors which lay behind previous policies to externalise all borrowing remain valid, e.g.:-

- With a continuing historically abnormally low Bank Rate and PWLB rates, there remains a unique opportunity for local authorities to actively manage their strategy of undertaking new external borrowing.

However, it remains the case that there are certain limitations to this approach, as previously noted, e.g.:-

- The policy can cause exposure to credit risk (e.g. risk of the bank defaulting on the debt), so this aspect must be very carefully managed;
- Careful on going consideration needs to be given to the difference between borrowing rates and investment rates to ensure the Council obtains value for money once an appropriate level of risk management has been attained to ensure the security of its investments.

In favour of internalisation, over the medium term investment rates are expected to continue to be below long term borrowing rates. This means that value for money considerations would indicate that value could best be obtained by avoiding new external borrowing and by using internal cash balances to finance new capital expenditure, or to replace maturing external debt (this is referred to as internal borrowing). This would maximise short term savings.

However, short term savings by avoiding new long term external borrowing in 2015/16 must also be weighed against the potential for incurring additional long term extra costs, by delaying unavoidable new external borrowing until later years when PWLB long term rates are forecast to be higher. Additionally, the cash flow implications of internalising borrowing require regular review and will limit the potential extent of internalising borrowing.

Against this background, caution will be adopted with the 2016/17 treasury operations. The S151 Officer will monitor the interest rate market and adopt a pragmatic approach to changing circumstances, reporting any decisions to the appropriate decision making body at the earliest opportunity.

3.4 Policy on borrowing in advance of need

The Council will not borrow more than, or in advance of, its needs, solely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

In determining whether borrowing will be undertaken in advance of need the Council will:-

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need;
- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets, have been considered;
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow;
- consider the advantages and disadvantages of alternative forms of funding;
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use; and
- consider the impact of borrowing in advance on temporarily (until required to finance capital expenditure) increasing investment cash balances and the consequent increase in exposure to counterparty risk, and other risks, and the level of such risks given the controls in place to minimise them.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.5 Debt Rescheduling

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (i.e. premiums incurred).

The reasons for any rescheduling to take place will include:-

- the generation of cash savings and/or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to the Audit Committee, at the earliest practicable meeting following its action. A recent review of this highlighted that it would cost the council more to reschedule debt than it would save in interest due to significant early repayment premiums imposed by the PWLB.

4. Annual Investment Strategy

4.1 Changes to Credit Rating Methodology

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

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

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

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

4.2 Investment Policy

The Council's investment policy has regard to the Welsh Government's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice for Local Authorities and Cross-Sectorial Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, and then return.

In accordance with the above guidance from the Welsh Government and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

As with previous practice, ratings will not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment instruments identified for use in the financial year are listed in Appendix 5 under the 'specified' and 'non-specified' investments categories.

The Council will also from time to time, make loans, deposits and investments 'for the purpose of delivery of its Service's (policy investments). These transactions will require the authority of the County Council for amounts over £100k. All transactions will be subject to adequate credit quality and the approval of the Section 151 Officer in consultation with the Portfolio Holder for Finance.

4.3 Creditworthiness policy

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:-

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The S151 Officer will maintain a counterparty list in compliance with the criteria set out in Appendix 6 and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by Capita Asset Services, our treasury consultants, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating Watch applying to a counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

All credit ratings will be monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the Capita creditworthiness service.

As an additional layer to the minimum credit rating criteria described above, this Council also employs the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:-

- Credit watches and credit outlooks from credit rating agencies;

- Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads from which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council at the discretion of the S151 Officer, to assist in determining the duration for investments. The Council will, therefore, normally use counterparties within the following durational bands:-

- Yellow 5 years *
- Dark pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
- Light pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

The Capita Asset Services creditworthiness service uses a wider array of information than just primary ratings and, by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

Reference will also be made to other market data and market information, as available and as appropriate.

4.4 Country limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 7. This list will be added to or deducted from by officers should ratings change in accordance with this policy.

4.5 Investment Strategy

In-house funds: . Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Investment returns expectations: Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 4 of 2016. Bank Rate forecasts for financial year ends (March) are:-

- 2016/17 0.75%
- 2017/18 1.25%
- 2018/19 1.75%

The overall balance of risks to these forecasts is currently to the downside (i.e. start of increases in Bank Rate occurs later). However, should the pace of growth quicken and / or forecasts for increases in inflation rise, there could be an upside risk.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next eight years are as follows:-

2016/17 0.60%
2017/18 1.25%
2018/19 1.75%
2019/20 2.25%
2020/21 2.50%
2021/22 2.75%
2022/23 2.75%
2023/24 3.00%
Later years 3.00%

For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest

4.6 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

4.7 External fund managers

The Council has not appointed external fund managers. The need for this will be kept under review and a reported as appropriate before such an appointment is made.

4.8 Policy on the use of external service providers

In order to acquire access to specialist skills and resources, the Council uses Capita Assets Services as its external treasury management advisors. The terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

Final responsibility for treasury management decisions remains with the Council.

4.9 Delegation

The Treasury Management scheme of delegation and the role of the Section 151 Officer are outlined in Appendix 8.

APPENDICES

1. Loan maturity profile
2. MRP Policy Statement
3. Interest rate forecasts
4. Economic background
5. Specified and non-specified investments
6. Counterparty criteria
7. Approved countries for investments
8. Treasury management scheme of delegation and the role of the section 151 officer.
9. Treasury Management Key Principles
10. Treasury Management Policy Statement
11. Prudential and Treasury Indicators
12. Glossary of and information on Prudential & Treasury Management indicators

DADANSODDIAD BENTHYCIADAU YN AEDDFEDU 2015/16 YMLAEN/ LOANS MATURITY ANALYSIS 2015/16 ONWARDS						
	PWLB Aeddefedu/ PWLB Maturity £'000	PWLB EIP/ Annuity/ PWLB EIP/ Annuity £'000	Benthyciadau Marchnad/ Market Loans £'000	PWLB Amrywiol/ PWLB Variable £'000	Cyfanswm yn Aeddfedu/ Total Maturing £'000	%YN Aeddfedu o'r Cyfran yn sefyll/ Maturing of Total Outstanding %
2015/16	0	1	0	0	1	0.0
2016/17	0	9	0	0	9	0.0
2017/18	5,500	9	0	0	5,509	5.0
2018/19	5,000	10	0	0	5,010	4.5
2019/20	5,000	11	0	0	5,011	4.5
2020/21	4,500	12	0	0	4,512	4.1
2021/22	0	14	0	0	14	0.0
2022/23	2,285	15	0	0	2,300	1.7
2023/24	1,854	16	0	0	1,870	2.1
2024/25	0	18	0	0	18	0.0
2025/26	0	20	0	0	20	0.0
2026/27	1,381	22	0	0	1,403	1.3
2027/28	2,165	24	0	0	2,189	2.0
2028/29	262	26	0	0	288	0.3
2029/30	1,538	21	0	0	1,559	1.4
2030/31	451	15	0	0	466	0.4
2031/32	1,941	9	0	0	1,950	1.8
2032/33	315	8	0	0	323	0.3
2033/34	637	0	0	0	637	0.6
2034/35	624	0	0	0	624	0.6
2035/36	611	0	0	0	611	0.6
2036/37	599	0	0	0	599	0.5
2037/38	587	0	0	0	587	0.5
2038/39	225	0	0	0	225	0.2
2039/40	5,000	0	0	0	5,000	4.5
2040/41	3,500	0	0	0	3,500	3.2
2042/43	1,000	0	0	0	1,000	0.9
2043/44	1,020	0	0	0	1,020	0.9
2044/45	1,010	0	0	0	1,010	0.9
2045/46	11,464	0	0	0	11,464	10.3
2050/51	2,000	0	0	0	2,000	1.8
2052/53	28,238	0	0	0	28,238	25.4
2054/55	3,000	0	0	0	3,000	2.7
2055/56	3,500	0	0	0	3,500	3.2
2056/57	5,000	0	0	0	5,000	4.5
2057/58	8,513	0	0	0	8,513	7.7
2059/60	1,763	0	0	0	1,763	1.6
	110,483	260	0	0	110,743	100.0
Cyfartaledd bywyd (blynnyddoedd)/ Average life(years)	24.67	9.69	0.00	0.00	24.64	
Cyfartaledd graddfa (%)/ Average rate (%)	5.52	9.41	0.00	0.00	5.53	

Minimum Revenue Provision Policy Statement 2016/17

The Council is required to pay off an element of the accumulated Council Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision (MRP)), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision (VRP)).

The Welsh Government regulations require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement:-

For capital expenditure incurred before 1 April 2008 or for capital expenditure from 1 April 2008 financed supported capital expenditure for Revenue Support Grant purposes, the MRP policy will be to charge 4% of the CFR at the end of the preceding year (in accordance with option 2 of the statutory guidance).

From 1st April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be the Asset Life method, with the MRP based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (in accordance with option 3 of the statutory guidance). The estimated life periods will be set by the S151 Officer based upon advice received from the relevant officers.

As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

The Housing Revenue Account share of the CFR is subject to a 2% MRP charge, based upon the closing CFR for the previous year, in line with the approved 30 year business plan.

Any repayments included in annual PFI or finance leases are applied as MRP.

Rhagolygon Graddfeydd Llog 2016/2019 Interest Rate Forecasts 2016/2019

PWLB rates and forecast shown below have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012.

Capita Asset Services Interest Rate View													
	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
Bank Rate View	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%
3 Month LIBID	0.50%	0.50%	0.60%	0.80%	0.90%	1.00%	1.10%	1.30%	1.40%	1.50%	1.60%	1.80%	1.90%
6 Month LIBID	0.70%	0.70%	0.80%	0.90%	1.00%	1.20%	1.30%	1.50%	1.60%	1.70%	1.80%	2.00%	2.20%
12 Month LIBID	1.00%	1.00%	1.10%	1.20%	1.30%	1.50%	1.60%	1.80%	1.90%	2.00%	2.10%	2.30%	2.40%
5yr PWLB Rate	2.00%	2.10%	2.20%	2.30%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%
10yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.60%	3.60%	3.70%
25yr PWLB Rate	3.40%	3.40%	3.50%	3.60%	3.70%	3.70%	3.80%	3.90%	4.00%	4.00%	4.10%	4.10%	4.10%
50yr PWLB Rate	3.20%	3.20%	3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	3.90%	4.00%	4.00%	4.00%
Bank Rate													
Capita Asset Services	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%
Capital Economics	0.50%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	-	-	-	-	-
5yr PWLB Rate													
Capita Asset Services	2.00%	2.10%	2.20%	2.30%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%
Capital Economics	2.60%	2.70%	2.80%	3.00%	3.10%	3.20%	3.30%	3.50%	-	-	-	-	-
10yr PWLB Rate													
Capita Asset Services	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.60%	3.60%	3.70%
Capital Economics	3.35%	3.45%	3.45%	3.55%	3.65%	3.75%	3.85%	3.95%	-	-	-	-	-
25yr PWLB Rate													
Capita Asset Services	3.40%	3.40%	3.50%	3.60%	3.70%	3.70%	3.80%	3.90%	4.00%	4.00%	4.10%	4.10%	4.10%
Capital Economics	3.35%	3.45%	3.45%	3.55%	3.65%	3.75%	3.85%	3.95%	-	-	-	-	-
50yr PWLB Rate													
Capita Asset Services	3.20%	3.20%	3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	3.90%	4.00%	4.00%	4.00%
Capital Economics	3.40%	3.50%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	-	-	-	-	-

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

Economic Background

United Kingdom

UK GDP growth rates in of 2.2% in 2013 and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and although the 2015 growth rate is likely to be a leading rate in the G7 again, it looks likely to disappoint previous forecasts and come in at about 2%. Quarter 1 2015 was weak at +0.4% (+2.9% y/y), although there was a slight increase in quarter 2 to +0.5% before weakening again to +0.4% (+2.1% y/y) in quarter 3. The Bank of England's November Inflation Report included a forecast for growth to remain around 2.5% – 2.7% over the next three years. For this recovery, however, to become more balanced and sustainable in the longer term, it still needs to move away from dependence on consumer expenditure and the housing market to manufacturing and investment expenditure. The strong growth since 2012 has resulted in unemployment falling quickly to a current level of 5.1%.

Since the August Inflation report was issued, most worldwide economic statistics have been weak and financial markets have been particularly volatile. The November Inflation Report flagged up particular concerns for the potential impact of these factors on the UK. Bank of England Governor Mark Carney has set three criteria that need to be met before he would consider making a start on increasing Bank Rate. These criteria are patently not being met at the current time, (as he confirmed in a speech on 19 January):-

- Quarter-on-quarter GDP growth is above 0.6% i.e. using up spare capacity. This condition was met in Q2 2015, but Q3 came up short and Q4 looks likely to also fall short.
- Core inflation (stripping out most of the effect of decreases in oil prices), registers a concerted increase towards the MPC's 2% target. This measure was on a steadily decreasing trend since mid-2014 until November 2015 @ 1.2%. December 2015 saw a slight increase to 1.4%.
- Unit wage costs are on a significant increasing trend. This would imply that spare capacity for increases in employment and productivity gains are being exhausted, and that further economic growth will fuel inflationary pressures.

The MPC has been particularly concerned that the squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back above the level of CPI inflation in order to underpin a sustainable recovery. It has, therefore, been encouraging in 2015 to see wage inflation rising significantly above CPI inflation which has been around zero since February. However, it is unlikely that the MPC would start raising rates until wage inflation was expected to consistently stay over 3%, as a labour productivity growth rate of around 2% would mean that net labour unit costs would still only be rising by about 1% y/y. The Inflation Report was notably subdued in respect of the forecasts for CPI inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon it was the biggest since February 2013. However, the first round of falls in oil, gas and food prices in late 2014 and in the first half 2015, will fall out of the 12 month calculation of CPI during late 2015 / early 2016 but only to be followed by a second, subsequent round of falls in fuel and commodity prices which will delay a significant tick up in inflation from around zero. CPI inflation is now expected to get back to around 1% in the second half of 2016 and not get near to 2% until the second half of 2017, though the forecasts in the Report itself were for an even slower rate of increase.

However, with the price of oil having fallen further in January 2016, and with sanctions having been lifted on Iran, enabling it to sell oil freely into international markets, there could well be some further falls still to come in 2016. The price of other commodities exported by emerging countries could also have downside risk and several have seen their currencies already fall by 20-30%, (or more), over the last year. These developments could well lead the Bank of England to lower the pace of increases in inflation in its February 2016 Inflation Report. On the other hand, the start of the national living wage in April 2016 (and further staged increases until 2020), will raise wage inflation; however, it could also result in a decrease in employment so the overall inflationary impact may be muted.

Confidence is another big issue to factor into forecasting. Recent volatility in financial markets could dampen investment decision making as corporates take a more cautious view of prospects in the coming years due to international risks. This could also impact in a slowdown in increases in employment. However, consumers will be enjoying the increase in disposable incomes as a result of falling prices of fuel, food and other imports from emerging countries, so this could well feed through into an increase in consumer expenditure and demand in the UK economy, (a silver lining!). Another silver lining is that the UK will not be affected as much as some other western countries by a slowdown in demand from emerging countries, as the EU and US are our major trading partners.

There is, therefore, considerable uncertainty around how quickly pay and CPI inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate. There are also concerns around the fact that the central banks of the UK and US currently have few monetary policy options left to them given that central rates are near to zero and huge QE is already in place. There are, accordingly, arguments that rates ought to rise sooner and quicker, so as to have some options available for use if there was another major financial crisis in the near future. But it is unlikely that either would aggressively raise rates until they are sure that growth was securely embedded and 'noflation' was not a significant threat.

The forecast for the first increase in Bank Rate has, therefore, been pushed back progressively over the last year from Q4 2015 to Q4 2016. Increases after that are also likely to be at a much slower pace, and to much lower final levels than prevailed before 2008, as increases in Bank Rate will have a much bigger effect on heavily indebted consumers and householders than they did before 2008. There has also been an increase in momentum towards holding a referendum on membership of the EU in 2016, rather than in 2017, with Q3 2016 being the current front runner in terms of timing; this could impact on MPC considerations to hold off from a first increase until the uncertainty caused by it has passed.

The Government's revised Budget in July eased the pace of cut backs from achieving a budget surplus in 2018/19 to achieving that in 2019/20 and this timetable was maintained in the November Budget.

United States of America

GDP growth in 2014 of 2.4% was followed by Q1 2015 growth, which was depressed by exceptionally bad winter weather, at only +0.6% (annualised). However, growth rebounded remarkably strongly in Q2 to 3.9% (annualised) before falling back to +2.0% in Q3.

Until the turmoil in financial markets in August, caused by fears about the slowdown in Chinese growth, it had been strongly expected that the Fed. would start to increase rates in September. The Fed pulled back from that first increase due to global risks which might depress US growth and put downward pressure on inflation, as well as a 20% appreciation of the dollar which has caused the Fed. to lower its growth forecasts. Although the non-farm payrolls figures for growth in employment in August and September were disappointingly weak, the October figure was stunningly strong while November was also reasonably strong (and December was outstanding); this, therefore, opened up the way for the Fed. to embark on its first increase in rates of 0.25% at its December meeting. However, the accompanying message with this first increase was that further increases will be at a much slower rate, and to a much lower ultimate ceiling, than in previous business cycles, mirroring comments by our own MPC.

Eurozone

In the Eurozone, the ECB fired its big bazooka in January 2015 in unleashing a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it is intended to run initially to September 2016. At the ECB's December meeting, this programme was extended to March 2017 but was not increased in terms of the amount of monthly purchases. The ECB also cut its deposit facility rate by 10bps from -0.2% to -0.3%. This programme of monetary easing has had a limited positive effect in helping a recovery in consumer and business confidence and a start to some improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.3% y/y) but has then eased back to +0.4% (+1.6% y/y) in quarter 2 and to +0.3% (+1.6%) in quarter 3. Financial markets were disappointed by the ECB's lack of more decisive

action in December and it is likely that it will need to boost its QE programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

Greece

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

Portugal and Spain

The general elections in September and December respectively have opened up new areas of political risk where the previous right wing reform-focused pro-austerity mainstream political parties have lost their majority of seats. A left wing / communist anti-austerity coalition has won a majority of seats in Portugal. The general election in Spain produced a complex result where no combination of two main parties is able to form a coalition with a majority of seats. It is currently unresolved as to what administrations will result from both these situations. This has created nervousness in bond and equity markets for these countries which has the potential to spill over and impact on the whole Eurozone project.

China and Japan

Japan is causing considerable concern as the increase in sales tax in April 2014 suppressed consumer expenditure and growth. In Q2 2015 quarterly growth shrank by -0.2% after a short burst of strong growth of 1.1% during Q1, but then came back to +0.3% in Q3 after the first estimate had indicated that Japan had fallen back into recession; this would have been the fourth recession in five years. Japan has been hit hard by the downturn in China during 2015 and there are continuing concerns as to how effective efforts by the Abe government to stimulate growth, and increase the rate of inflation from near zero, are likely to prove when it has already fired the first two of its 'arrows' of reform but has dithered about firing the third, deregulation of protected and inefficient areas of the economy.

As for China, the Government has been very active during 2015 and the start of 2016, in implementing several stimulus measures to try to ensure the economy hits the growth target of about 7% for 2015. It has also sought to bring some stability after the major fall in the onshore Chinese stock market during the summer and then a second bout in January 2016. Many commentators are concerned that recent growth figures could have been massaged to hide a downturn to a lower growth figure. There are also major concerns as to the creditworthiness of much of bank lending to corporates and local government during the post 2008 credit expansion period. Overall, China is still expected to achieve a growth figure that the EU would be envious of. Nevertheless, there are growing concerns about whether the Chinese economy could be heading for a hard landing and weak progress in rebalancing the economy from an over dependency on manufacturing and investment to consumer demand led services. There are also concerns over the volatility of the Chinese stock market, which was the precursor to falls in world financial markets in August and September and again in January 2016, which could lead to a flight to quality to bond markets. In addition, the international value of the Chinese currency has been on a steady trend of weakening and this will put further downward pressure on the currencies of emerging countries dependent for earnings on exports of their commodities.

Emerging countries

There are also considerable concerns about the vulnerability of some emerging countries, and their corporates, which are getting caught in a perfect storm. Having borrowed massively in dollar denominated debt since the financial crisis, (as investors searched for yield by channelling investment cash away from western economies with dismal growth, depressed bond yields and near zero interest rates into emerging countries), there is now a strong flow back to those western economies with strong growth and a path of rising interest rates and bond yields.

The currencies of emerging countries have therefore been depressed by both this change in investors' strategy, and the consequent massive reverse cash flow, and also by the expectations of a series of central interest rate increases in the US which has caused the dollar to appreciate significantly. In turn, this has made it much more costly for emerging countries to service their dollar denominated debt at a time when their earnings from commodities are depressed by a simultaneous downturn in demand for their exports and a deterioration in the value of their currencies. There are also likely to be major issues when previously borrowed debt comes to maturity and requires refinancing at much more expensive rates.

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

Capita Asset Services Forward View

Economic forecasting remains difficult with so many external influences weighing on the UK. Capita Asset Services undertook its last review of interest rate forecasts on 19 January 2016. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data evolves over time. . There is much volatility in rates and bond yields as news ebbs and flows in negative or positive ways. This latest forecast includes a first increase in Bank Rate in quarter 4 of 2016.

The overall trend in the longer term will be for gilt yields and PWLB rates to rise when economic recovery is firmly established accompanied by rising inflation and consequent increases in Bank Rate, and the eventual unwinding of QE. At some future point in time, an increase in investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently to the downside, given the number of potential headwinds that could be growing on both the international and UK scene. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

However, the overall balance of risks to our Bank Rate forecast is probably to the downside, i.e. the first increase, and subsequent increases, may be delayed further if recovery in GDP growth, and forecasts for inflation increases, are lower than currently expected. Market expectations in January 2016, (based on short sterling), for the first Bank Rate increase are currently around quarter 1 2017.

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

- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or Fed. rate increases, causing a flight to safe havens.
- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.
- A resurgence of the Eurozone sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.
- Monetary policy action failing to stimulate sustainable growth and combat the threat of deflation in western economies, especially the Eurozone and Japan.

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

- Uncertainty around the risk of a UK exit from the EU.
- The pace and timing of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

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

Specified and Non-Specified Investments

The Welsh Government 'Guidance on Local Government Investments' (Effective from 1 April 2010) provides the definition of specified and non-specified investments.

Paragraph 5.1 of the 'Guidance' states that an investment is specified if all of the following apply:-

- (a) the investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling; and
- (b) the investment is not a long-term investment (*); and
- (c) the making of the investment is not defined as capital expenditure by virtue of regulation 20(1)(d) of the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 [SI 3239 as amended]; and
- (ch) the investment is made with a body or in an investment scheme of high credit quality (**); or with one of the following public-sector bodies:
 - (i) the United Kingdom Government
 - (ii) a local authority in England or Wales (as defined in section 23 of the 2003 Act) or a similar body in Scotland or Northern Ireland
 - (iii) a parish or community council.

The 'Guidance' also states that any investment not meeting the definition of paragraph 5.1 is classified as a non-specified investment.

During 2016/17 the Council does not intend to make any investments in foreign currencies, nor any with low credit quality bodies, nor any that are defined as capital expenditure by legislation (such as company shares). Non-specified investments will therefore be limited to (i) long-term investments; and (ii) deposits with the Council's own banker for transactional purposes if it fails to meet the basic credit criteria; in this instance balances will be minimised as far as is possible

The table in Appendix 6 set out the investment criteria and limits for the categories of investments intended for use during 2016/17 and therefore form the basis for the approved lending list.

Any proposed revisions or amendments during the year to the categories of specified and non-specified investments to be used and / or to the associated credit rating criteria / investment limits will be subject to prior approval by the County Council.

* Section 2.4 of the 'Guidance' defines a long term investment as "any investment other than (a) one which is due to be repaid within 12 months of the date on which the investment was made or (b) one which the local authority may require to be repaid within that period."

** For the purposes of high credit quality the 'Guidance' states that "for the purposes of paragraph 5.1(d), Welsh ministers recommend that the Strategy should define high credit quality (and where this definition refers to credit ratings, paragraph 6.1 (***) is relevant)."

*** Paragraph 6.1 of the 'Guidance' recommends that "the Strategy should set out the authority's approach to assessing the risk of loss of investments, making clear in particular:

- (a) to what extent, if any, risk assessment is based upon credit ratings issued by one or more credit rating agencies;
- (b) where credit ratings are used, how frequently credit ratings are monitored and what action is to be taken when ratings change; and
- (c) what other sources of information on credit risk are used, additional to or instead of credit ratings."

The table in Appendix 6 of this strategy sets out what this Council defines as high credit quality and the associated investment criteria and limits and section 4.3 of this strategy sets out the Council's creditworthiness approach.

Counterparty Criteria

Category	Short Term Credit Rating (Fitch)	Short Term Credit Rating (Moody's)	Short Term Credit Rating (Standard & Poor's)	Long Term Credit Rating (Fitch)	Long Term Credit Rating (Moody's)	Long Term Credit Rating (Standard & Poor's)	Cash Limit	Time Limit
Banks and Building Societies (not nationalised or part nationalised)	F1+	P-1	A-1+	AAA	Aaa	AAA	£10m	5 years
	F1+	P-1	A-1+	AA	Aa2	AA	£10m	3 years
	F1+	P-1	A-1+	AA-	Aa3	AA-	£10m	364 days
	F1	P-1	A-1	A	A2	A	£7.5m	6 months
Nationalised / Part Nationalised UK Banks	n/a	n/a	n/a	n/a	n/a	n/a	£10m	364 days
UK Central Government (irrespective of credit rating)	n/a	n/a	n/a	n/a	n/a	n/a	No maximum	No maximum
UK Local Authorities**	n/a	n/a	n/a	n/a	n/a	n/a	£5m	364 days

* as defined in the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003

** as defined in the Local Government Act 2003

Notes and Clarifications**(1) Cash Limit**

- (i) The cash limits apply both to the individual counterparty and to the overall group to which it belongs (e.g. for the banks within the Lloyds Banking Group plc (being Bank of Scotland plc and Lloyds Bank plc), the investment limit applies to those banks individually and the banking group as a whole);
- (ii) The overall cash limit for deposits over 364 days is £15m.

(2) Time Limit

- (i) This up to and including the period indicated.

(3) Foreign Countries

- (i) Investments in foreign countries will be limited to those that hold a sovereign credit rating of (Fitch) AA- or equivalent (from the agencies referred to in section 4.4 of this strategy) sovereign credit rating (based upon the lowest common denominator), and to a maximum of £10 million per foreign country.
- (ii) Investments in countries whose lowest sovereign rating is not AA- or above will not be permitted. No country limit will apply to investments in the UK, irrespective of the sovereign credit rating.
- (iii) Subsidiaries of foreign banking groups will normally be assessed according to the country of domicile of the parent organisation. However, Santander UK plc (a subsidiary of Spain's Banco Santander) will be classed as a UK bank due to its substantial UK franchises and the arms-length nature of the parent-subsidary relationships.
- (iv) Sovereign credit rating criteria and foreign country limits will not apply to investments in multilateral development banks (e.g. the European Investment Bank and the World Bank) or other supranational organisations (e.g. the European Union).

4. Credit Rating Downgrade

Should a credit rating downgrade place a counterparty below the minimum credit rating criteria for investment, the counterparty will cease to be used as soon as practicable.

If the S151 Officer wishes to continue investing with that counterparty approval will be sought from the Chair of the Audit Committee plus one other member of the Chair's choosing, who both must approve the action. This will then be reported as appropriate at the next available opportunity.

Approved countries for investments [correct as at 21 January 2016]

Based upon lowest available sovereign credit rating

AAA

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

AA+

- Finland
- U.K.
- U.S.A.

AA

- Abu Dhabi (UAE)
- France
- Qatar

AA-

- Belgium

Treasury management scheme of delegation

(i) County Council

- budget approval;
- approval of the annual Treasury Management Strategy Statement, Annual Investment Strategy and MRP Policy, annual Treasury Management Policy Statement and amendments thereto;
- approval of amendments to the Council's adopted clauses;
- receiving and reviewing monitoring reports on treasury management policies, practices and activities; and
- acting on recommendations received from the Audit Committee and/or Executive Committee.

(ii) Executive Committee

- budget consideration;
- approval of the annual Treasury Management Practices and amendments thereto;
- approval of the division of responsibilities;
- approval of the selection of external service providers and agreeing terms of appointment;
- receiving and reviewing monitoring reports on treasury management policies, practices and activities and making recommendations to the County Council as appropriate;
- acting on recommendations received from the Audit Committee.

(iii) Audit Committee

- Scrutiny of Treasury Management matters as required by CIPFA's Code of Practice on Treasury Management and the Council's Treasury Management Policy. This includes:-
 - scrutinising the annual Treasury Management Strategy Statement, Annual Investment Strategy, Annual MRP Policy, Annual Treasury Management Policy and Treasury Management Practices and making recommendations to the Executive Committee and County Council as appropriate;
 - scrutinising proposals for amendments to the annual Treasury Management Strategy Statement, Annual Investment Strategy, Annual MRP Policy, Annual Treasury Management Policy and Treasury Management Practices and to the adopted clauses and making recommendations to the Executive and County Council as appropriate;
 - receiving and scrutinising any other proposals relating to the treasury management which require a decision by the Executive or County Council; and
 - receiving and scrutinising monitoring reports on treasury management policies, practices and activities and make recommendations to the Executive and County Council as appropriate.

The treasury management role of the section 151 officer

The S151 (responsible) officer's role includes:-

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit; and
- recommending the appointment of external service providers.
- Responsibility for the execution and administration of its Treasury decisions, including decision on borrowing, investment and financing, have been delegated to the Section 151 Officer, who will act in accordance with the Council's policy statements and TMP's.

The CIPFA Treasury Management in the Public Services: Code of Practice

The key principles of CIPFA's *Treasury Management in the Public Services: Code of Practice (2011 Edition)*, as described in Section 4 of that Code are as follows:-

Key Principle 1:

Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.

Key Principle 2:

Their policies and practices should make clear that the effective management and control of risks are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy, including any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and liquidity when investing funds.

Key Principle 3:

They should acknowledge that the pursuit of value for money in treasury management and the use of suitable performance measures are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that, within the context of effective risk management, their treasury management policies and practices should reflect this.

The Code then goes on to say that:

“In framing these recommendations, CIPFA acknowledges the difficulties of striving for effective risk management and control, whilst at the same time pursuing value for money. This code does not seek to be prescriptive about how this issue should be handled, particularly since it covers such a wide variety of organisations. However, where appropriate, the sector specific guidance notes give suitable advice. CIPFA recognises that no two organisations in the public services are likely to tackle this issue in precisely the same manner but success in this area of treasury management is likely to be viewed, especially in value for money terms, as an indicator of a strongly performing treasury management function.”

“Even though it dates back to 1991, CIPFA considers that the report by the Treasury and Civil Service Committee of the House of Commons on the BCCI closure is still pertinent, wherein it was stated that:”

“In balancing risk against return, local authorities should be more concerned to avoid risks than to maximise returns.”

“Indeed this view was supported by the Communities and Local Government Select Committee report into local authority investments in 2009.”

“It is CIPFA’s view that throughout the public services the priority is to protect capital rather than to maximise return. The avoidance of all risk is neither appropriate nor possible. However, a balance must be struck with a keen responsibility for public money.”

Accordingly the Authority will adopt, as part of the standing orders, the following four clauses;

1. The Authority will create and maintain, as the cornerstones for effective treasury management:
 - a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities; and
 - suitable treasury management practices (TMPs) setting out the manner in which the Authority will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the Policy Statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the Authority. Such amendments will not result in the Authority materially deviating from the Code's key principles.

2. The County Council, Executive Committee and the Audit Committee will receive reports on the Authority's treasury management policies, practices and activities, including; an annual strategy and plan in advance of the year, a mid-year review report and an annual report after its close, in the form prescribed in the TMPs. .
3. The County Council/Executive Committee are responsible for the implementation of the Authority's treasury management policies and practices in accordance with the Treasury Management Scheme of Delegation. The S151 Officer is responsible for the execution and administration of treasury management decisions, who will act in accordance with the Authority's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
4. The Authority nominates Audit Committee to be responsible for ensuring effective scrutiny of treasury management strategy and policies.

Treasury Management Policy Statement

1. The Authority defines its treasury management activities as: “The management of the authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
2. This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
3. This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

**PRUDENTIAL & TREASURY INDICATORS
BUDGET SETTING 2016/17**

Appendix 11

No. Indicator

Affordability		2014/15 out-turn	2015/16 estimate	2016/17 proposal	2017/18 proposal	2018/19 proposal
1,2	Estimates of [or actual] ratio of financing costs to net revenue stream:					
	Council Fund	5.95%	6.38%	7.00%	7.60%	7.76%
	Housing Revenue Account (inclusive of settlement)	15.00%	23.31%	21.87%	20.14%	18.21%
	Total	6.85%	8.14%	8.61%	9.05%	9.05%
3	Estimates of incremental impact of capital investment decisions on the Council Tax <i>for the Band D Council Tax</i>			£7.53	£46.48	£51.98
4	Estimates of incremental impact of capital investment decisions on housing rents <i>on average weekly rent levels</i>			£16.66	£16.19	£15.46
Prudence						
5	Gross debt and the Capital Financing Requirement (CFR) <i>Is the gross external debt < the CFR for the preceding year plus the estimates of any additional CFR for the current and the next two financial years?</i>	✓	✓	✓	✓	✓
Capital Expenditure		£000	£000	£000	£000	£000
6,7	Estimates of [or actual] capital expenditure					
	Council Fund	15,768	18,210	33,900	17,820	23,980
	Housing Revenue Account	5,519	6,960	14,900	7,670	6,400
	Total	21,287	25,170	48,800	25,490	30,380
8,9	Estimates of [or actual] Capital Financing Requirement					
	Council Fund	85,926	86,781	95,748	97,456	97,825
	Housing Revenue Account	22,650	43,397	43,529	42,658	41,805
	Total	108,576	130,178	139,277	140,114	139,630
External Debt		£000	£000	£000	£000	£000
10	Authorised Limit					
	: General Borrowing	125,000	121,800	144,800	145,800	144,800
	: HRA Settlement	0	21,200	21,200	21,200	21,200
	: Other long term liabilities	2,000	2,000	3,000	3,000	3,000
	: Total	127,000	145,000	169,000	170,000	169,000

11	HRA Limit on Indebtedness;					
	HRA Limit on Indebtedness	n/a	n/a	58,553	58,553	58,553
	HRA CFR	n/a	n/a	43,529	42,658	41,805
	HRA headroom	n/a	n/a	15,024	15,895	16,748
12	Operational Boundary					
	: General Borrowing	120,000	116,800	139,800	140,800	139,800
	: HRA Settlement	0	21,200	21,200	21,200	21,200
	: Other long term liabilities	2,000	2,000	3,000	3,000	3,000
	: Total	122,000	140,000	164,000	165,000	164,000
13	Actual External Debt	89,583				
Treasury Management		2014/15 out-turn	2015/16 estimate	2016/17 proposal	2017/18 proposal	2018/19 proposal
14	The Local Authority has adopted the CIPFA Code of Practice for Treasury Management in the Public Services	✓	✓	✓	✓	✓
		£000	£000	£000	£000	£000
15	Gross and net debt	100%	100%	100%	100%	100%
	<i>The upper limit on the net debt as a proportion of gross debt</i>					
16	The upper limit on fixed rate exposures: (net principal outstanding)	125,000	143,000	166,000	167,000	166,000
17	The upper limit on variable rate exposures: (net principal outstanding)	20,000	20,000	20,000	20,000	20,000
18	The limit for total principal sums invested for periods longer than 364 days (any long term investments carried forward from previous years will be included in each year's limit)	15,000	15,000	15,000	15,000	15,000
			2015/16 upper limit	2015/16 lower limit		
19	The upper and lower limits for the maturity structure of fixed rate borrowing					
	• under 12 months		20%		0%	
	• 12 months and within 24 months		20%		0%	
	• 24 months and within 5 years		50%		0%	
	• 5 years and within 10 years		75%		0%	
	• 10 years and above		100%		0%	
			no change		no change	

Glossary of and information on Prudential & Treasury Management indicators (References as per appendix 11)

Prudential Indicators

A) Affordability

1,2 Ratio of financing costs to 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.

The estimates of financing costs include current commitments and the proposals in this budget report.

3. Incremental impact of capital investment decisions on council tax

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

4. Estimates of the incremental impact of capital investment decisions on housing rent levels

Similar to the council tax calculation, this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in this budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

This indicator shows the revenue impact on any newly proposed changes, although any discrete impact will be constrained by rent controls.

B) Prudence

5. Gross Debt and the CFR

The Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2016/17 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

C) Capital expenditure

6,7. Estimates of Capital Expenditure

This is the forecast Capital Expenditure from 2015/16 to 2018/19, and is based on the Capital Bids received for 2016/17.

8,9 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life.

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has £nil of such schemes within the CFR.

The HRA indicators (reference 9) reflect the HRA self-financing settlement of £21.2m.

CH) External Debt

- 10. The authorised limit for external debt.** A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

The S151 Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget report.

- 11. HRA Limit on Indebtedness.** As part of the HRA self-financing reform each Welsh local authority with responsibility for housing will be allocated a limit on indebtedness in relation to the HRA; this essentially places a limit on the HRA CFR (to be applied at 31st March each year). The gap between the two, if the CFR is within the limit, will be referred to as the borrowing headroom. The forecast account for the HRA settlement on the same basis as for the ratio in reference 2.
- 12. The operational boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

This indicator reflects the potential HRA self-financing settlement value on the same basis as for the Authorised Limit indicator.

Treasury Management Indicators

Treasury management limits on activity

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:-

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates; and
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

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ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	THE EXECUTIVE
DATE:	1 MARCH 2016
SUBJECT:	FEES AND CHARGES 2016/17
PORTFOLIO HOLDER(S):	COUNCILLOR HYWEL EIFION JONES - (PORTFOLIO HOLDER – FINANCE)
HEAD OF SERVICE:	MARC JONES - HEAD OF FUNCTION (RESOURCES) & SECTION 151 OFFICER
REPORT AUTHOR:	MARC JONES
TEL:	01248 752601
E-MAIL:	RMJFI@YNYSMON.GOV.UK
LOCAL MEMBERS:	NOT APPLICABLE
A - Recommendation/s and reason/s	
<p>RECOMMENDATIONS AND REASONS</p> <p>As part of the budget setting process, all of the Council's fees and charges are reviewed.</p> <p>The Executive has set an objective that all non-statutory fees and charges are increased by an average of 5% across each individual service. This has allowed Service Heads to increase individual fees by more or less than 5% but, overall, the increase across the service equates to a 5% increase.</p> <p>All statutory fees have been increased by the sum set by the approving body, where the increase has been published. Where the revised charge is not known, the fee is shown as TBC and will be updated once the notification of the new fee is received.</p> <p>Fee increases in respect of Social Care are reported to the Executive as separate agenda items.</p> <p>RECOMMENDATION</p> <p>The Executive is requested to approve the schedule of fees and charges for 2016/17.</p>	
B - What other options did you consider and why did you reject them and/or opt for this option?	
Individual Services considered differing level of fees in order to achieve the requirement of a 5% increase in the overall level of non-statutory fees for the service.	
C - Why is this a decision for the Executive?	
Decision forms part of the overall budget setting process.	
CH - Is this decision consistent with policy approved by the full Council?	
N/A	
D - Is this decision within the budget approved by the Council?	
N/A	

DD - Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	
2	Finance / Section 151 (mandatory)	Author of Report
3	Legal / Monitoring Officer (mandatory)	
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	
E - Risks and any mitigation (if relevant)		
1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	
F - Appendices:		
Appendix A – Schedule of Fees and Charges 2016/17		
FF - Background papers (please contact the author of the Report for any further information):		



Fees and Charges 2016-17

CONTENTS

Community Directorate

Adult Social Care

Housing

Lifelong Learning Directorate

Education

Libraries & Culture

Sustainable Development Directorate

Economic and Community Regeneration

Leisure

Maritime

Highways

Waste Management

Public Protection

Planning

Deputy Chief Executive's Directorate

Legal

Notes

(1) Applicable Period

1.1 All fees and charges are from 1st April 2016 – 31st March 2017 (inclusive) unless otherwise stated.

(2) VAT

2.1 All Fees and charges are inclusive of VAT (VAT subject to change), unless otherwise stated.

2.2 Key to VAT Indicators

- S** - Inclusive of Standard Rated VAT (20%, subject to change)
- Z** - Zero rated
- E** - Exempt from VAT
- N** - Charge net of VAT (VAT should be added to the fee/charge)
- O/S** - Outside the scope of VAT / Non-business
- N/A** – Not applicable

2.3 Recharges between Isle of Anglesey County Council services are exclusive of VAT.

Housing

Service	Fee/Charge	VAT
Room Hire - HUWC		
Conference Room	£15.75 per half day	E
Smaller Rooms	£5.25 per hour	E
Houses into Homes Fees		
Up to £50,000	£345.00	
Over £50,000	£395.00	
Home Improvement Loan Scheme		
	15% of the loan value (may also be subject to a third party valuation fee)	
Garage Rents		
	£7.41	
Dwelling Service Charges		
Cleaning of communal areas	£1.60 - £4.78	O/S
Lift maintenance	£0.43 - £1.74	O/S
Aerial within communal areas	£0.17	O/S
Heating and lighting within communal areas	£0.48	O/S
Fire alarms and fire equipment	£0.23	O/S
Door entry	£0.02	O/S
Sewerage Charges	£4.53	O/S
Painting of communal areas	£0.13 - £0.47	O/S
Ground maintenance (domestic Properties)	£2.26	O/S
Ground maintenance (sheltered properties)	£0.13 - £2.25	O/S
Management fee	15% of service charge	O/S

Education

Service	Fee/Charge	VAT
School Meals up to September term:		
Pupils and supervisory staff:		
Primary schools	£2.00 per meal	O/S
Secondary schools	£2.20 per meal	O/S
Other staff and visitors:		
Primary schools	£2.00 per meal	S
Secondary Schools	£2.20 per meal	S
School Meals from September term:		
Pupils and supervisory staff:		
Primary schools	£2.10 per meal	O/S
Secondary schools	£2.30 per meal	O/S
Other staff and visitors:		
Primary schools	£2.10 per meal	S
Secondary Schools	£2.30 per meal	S
Pre-Breakfast Club Care		
30 minutes pre-breakfast club care	£0.75 per child	TBC
School Buses up to September term:		
Post-16	£90.00 per annum	O/S
Under 3 miles	£80.00 per annum	O/S
Out of catchment	£150.00 per annum	O/S
School Buses from September term:		
Post-16	£100.00 per annum	O/S
Under 3 miles	£100.00 per annum	O/S
Out of catchment	£158.00 per annum	O/S
Other Charges		
Photocopies	£0.10 per sheet	TBC

Libraries & Culture

Service	Fee/Charge	VAT
Museums and Culture		
Llynnon		
Adult	£4.20	S
Seniors	£3.15	S
Children	£3.15	S
Adults (Group 15+)	£3.70	S
Seniors/Children (Group 15+)	£2.90	S
Group Workshop (15+)	£3.95	E
Family (4)	£11.55	S
Beaumaris Gaol		
Adult	£5.25	S
Seniors	£4.20	S
Children	£4.20	S
Adults (Group 15+)	£4.75	S
Seniors/Children (Group 15+)	£3.95	S
Family (4)	£15.75	S
Beaumaris Court		
Adult	£3.80	S
Seniors	£2.95	S
Children	£2.95	S
Adults (Group 15+)	£3.60	S
Seniors/Children (Group 15+)	£2.75	S
Family (4)	£11.05	S
Beaumaris Joint Ticket		
Adult	£7.90	S
Seniors	£6.50	S
Children	£6.50	S
Adults (Group 15+)	£7.35	S
Seniors/Children (Group 15+)	£6.30	S
Family (4)	£24.70	S
South Stack		
Adult	£5.80	S
Seniors	£4.20	S
Children	£3.15	S
Oriel Ynys Môn		
Commission on sales	35%	-

Room Hire		
Main Art Gallery or Oriol Kyffin Williams	£36.75 per hour/ evenings	E
Tunnickliffe Room – Commercial:		
Per Hour (maximum 3 hours)	£32.00	E
Half Day (3.5 hours)	£95.00	E
Full Day (7 hours)	£190.00	E
Additional Hours	£35.00 per hour	E
Tunnickliffe Room – Educational:		
Per Hour (maximum 3 hours)	£16.00	E
Half Day (3.5 hours)	£48.00	E
Full Day (7 hours)	£96.00	E
Additional Hours	£20.00 per hour	E
Tunnickliffe Room - Non-profit Organisations :		
Per Hour (maximum 3 hours)	£14.00	E
Half Day (3.5 hours)	£42.00	E
Full Day (7 hours)	£84.00	E
Additional Hours	£15.00 per hour	E
Tunnickliffe Room – Council:		
Per Hour (maximum 3 hours)	£20.00	E
Half Day (3.5 hours)	£60.00	E
Full Day (7 hours)	£110.00	E
Additional Hours	£25.00	E
Miscellaneous		
Workshops	£3.95 per person	E
Filming at OYM and sites [PoA]		
Per Hour – Single use	£52.50 – £105.00	S
Reproductions- Images [PoA]		
Single Use	£42.00 - £84.00	S
Libraries and Information Service		
Charges for late returns of books / cassettes / CDs (per item):		
1 day late	£0.25	O/S
2 days late	£0.35	O/S
3 days late	£0.45	O/S
4-7 days late	£0.75	O/S
Cost for each week late (maximum of £5.50)	£0.75	O/S

Charges for late returns of videos / DVDs (per item)		
Per week or part thereof – Premium service	£30.00	O/S
Per week or part thereof – Regular service	£17.50	O/S
Charges for late returns to mobile libraries (per item)		
1 st and 2 nd visit	£0.00	O/S
3 rd visit	£0.60	O/S
4 th visit	£0.75	O/S
5 th visit	£1.30	O/S
Maximum total cost	£6.00	O/S
Requests (per item)		
Children (under 16)	£0.00	O/S
Adults – In stock within Wales (includes LINC)	£0.00	O/S
New items to stock	£1.00	O/S
Request - not available within Wales	£8.00	O/S
Hire of CDs / DVDs (per item)		
CDs	£1.25 per CD per 3 weeks	O/S
Premium DVD – (DVDs added to stock within 1 year)	£3.00 per DVD per week	O/S
Older DVDs and children's DVDs	£1.75 per DVD per week	O/S
Lost Membership Card		
Children	£1.10	O/S
Adult	£2.10	O/S
Charges for items lost/damaged		
Children's books – Welsh	£6.00	O/S
Adult's books – Welsh	£9.00	O/S
Fiction – children	£7.00	O/S
Non-fiction – children	£8.50	O/S
Fiction - adult [pk]	£10.00	O/S
Non fiction - adult [pk]	Full cost	O/S
Fiction - adult [hb]	£20.00	O/S
Non fiction - adult [hb]	Full cost	O/S
Talking books - adults	Full cost	O/S
Talking books - children	Full Cost	O/S
DVD - Adult	£15.00	O/S
DVD - Children	£15.00	O/S
CD - music	£15.00	O/S
Administration cost on long overdue items invoiced for.	£4.50 each invoice	O/S

Withdrawn items of stock – minimum charge		
Paperback Fiction - adult [English]	£0.75 each Or £3.00 for 5	S
Hardback Fiction - adult [English]	£1.00 each Or £1.50 for 2	S
Hardback Non-fiction - adult [English + Welsh]	£1.50 each Or £2.50 for 2	S
Paperback Non Fiction - adult [English + Welsh]	£1.00 each Or £1.50 for 2	S
Reference books	individually priced	S
Welsh Fiction - adult	£0.75 each Or £3.00 for 5	S
Children's Books [all languages]	£0.75 each Or £3.00 for 5	S
Use of Computer Equipment		
Visitors not possessing a UK Library Card	£2.00 each ½ hour	O/S
Photocopies		
A4	£0.15 each sheet	O/S
A4 – 10+ copies	£0.10 each sheet	O/S
A4 – back to back	£0.30 each sheet	O/S
A4 – back to back 10+ copies	£0.20 per sheet	O/S
A3	£0.30 per sheet	O/S
A3 – 10+ copies	£0.20 per sheet	O/S
A3 – back to back	£0.60 per sheet	O/S
A3 – back to back 10+ copies	£0.40 per sheet	O/S
OS Maps - copies for business use with OS approval	£1.50 each	O/S
Computer Printouts and Disks		
A4 – black and white	£0.15 each	O/S
A4 – black and white 10+ copies (when printed in one go from a session)	£0.10 each	O/S
A4 – colour print	£0.75 each	O/S
A4 – colour print 10+ copies (when printed in one go from a session)	£0.50 each	O/S
CDR Disks	£0.80 each	O/S
CDR/W Disks	£1.60 each	O/S
Memory Stick (USB) 1Gb	£6.50 each	O/S
Fax Service		
1st page - UK	£1.50	O/S
Additional page - UK	£0.50 each page	O/S
1st page - Europe	£2.50	O/S
Additional page – Europe	£1.00 each page	O/S
1st page - North America	£3.50	O/S
Additional page - North America	£1.50 each page	O/S
1st page - Rest of the World	£4.50	O/S
Additional page - Rest of the World	£2.00 each page	O/S
Receiving an A4 fax	£1.00	O/S

Letting Rooms		
2 hour session - weekdays	£21.00	TBC
2 hour session with entrance charge/fund raising - weekdays	£31.50	TBC
Cost per additional half hour - weekdays	£5.50	TBC
2 hour session – Saturday	£31.50	TBC
2 hour session with entrance charge/fund-raising - Saturday	£42.00	TBC
Cost per additional half hour - Saturdays	£6.50	TBC
Hire of computer facilities (inc. room hire)		
2 hour session – Weekdays daytime	£31.50	TBC
2 hour session – Evenings and Saturdays	£37.00	TBC
NOTE - Rates for hire of computer facilities are negotiable for long-term use and all day sessions TBC		
Exhibition Sales Commission	30% of sales	TBC
Commercial Advertising – Posters		
Fee for 4 weeks	£3.20	TBC
Anglesey Archives		
Stationery		
Pencils	£0.40 per pencil	S
Readers Tickets (CARN Ticket)	£1.00 per ticket	S
Reprographics		
All items sent by post will be at the large letter second class rate (if first class or recorded delivery is requested items will be charged accordingly)		
Photocopies		
B/W A4 copies	£0.50 per sheet	S
B/W A3 copies	£0.65 per sheet	S
Colour A4 copies	£0.95 per sheet	S
Colour A3 copies	£1.15 per sheet	S
Photocopies - sent by post		
1-3 B/W A4 sheets	£5.80	S
4-7 B/W A4 sheets	£6.60	S
1-3 B/W A3 sheets	£6.40	S
4-7 B/W A3 sheets	£7.15	S
1-3 Colour A4 sheets	£11.55	S
4-7 Colour A4 sheets	£13.25	S
1-3 Colour A3 sheets	£13.25	S
4-7 Colour A3 sheets	£14.85	S
Reader printouts		
B/W A4 prints	£1.05 per sheet	S
B/W A3 prints	£1.15 per sheet	S
Reader printouts - sent by post		
1-3 B/W A4 sheets	£8.10	S
4-7 B/W A4 sheets	£9.90	S
1-3 B/W A3 sheets	£9.90	S
4-7 B/W A3 sheets	£11.55	S

Computer printouts		
B/W A4	£0.50 per sheet	S
B/W A3	£0.65 per sheet	S
Colour A4	£0.95 per sheet	S
Colour A3	£1.15 per sheet	S
Computer printouts - sent by post		
1-3 B/W A4 sheets	£5.80	S
4-7 B/W A4 sheets	£6.60	S
1-3 B/W A3 sheets	£6.60	S
4-7 B/W A3 sheets	£7.15	S
1-3 Colour A4 sheets	£11.55	S
4-7 Colour A4 sheets	£13.25	S
1-3 Colour A3 sheets	£13.25	S
4-7 Colour A3 sheets	£14.85	S
Scanned copies		
Printed on A4 plain paper	£3.55 per sheet	S
Printed on A3 plain paper	£4.20 per sheet	S
1 scanned copy saved to CD	£3.55	S
2-5 scanned copies saved to CD	£7.15	S
6-10 scanned copies saved to CD	£12.15	S
Scanned copies - Sent by Post		
Printed A4 plain paper	£3.55 per sheet + P&P	S
Printed A3 plain paper	£4.20 per sheet + P&P	S
1 digital copy (JPEG file type) saved to CD	£3.55 + £2.95 P&P	S
2-5 digital copies (JPEG file type) saved to CD	£7.15 + £2.95 P&P	S
6-10 digital copies (JPEG file type) saved to CD	£12.15 + £2.95 P&P	S
Digital copies - sent by email		
1 JPEG file type	£3.70	S
2-3 JPEG file types	£7.35	S
4-5 JPEG file types	£11.05	S
Post and packaging using UK postage rates (overseas mail will be weighed and charged accordingly):		
up to 100g – second class	£1.05	S
up to 200g – second class	£1.45	S
up to 500g – second class	£1.80	S
up to 700g – second class	£2.30	S
Photographic permits for use in the Searchroom		
1 day	£6.95	S
1 week	£17.65	S
1 year	£87.15	S
Reproduction in books and periodicals		
	£30.25	S
Research		
Paid research service (1 hour minimum & 2 hours maximum per request)	£30.45 per hour	S
Official letter		
Official letter / letter of certification	£6.95	S
Filming on Premises		
(1 hour minimum)	£56.70 per hour	S

Television (plus VAT)		
Welsh / regional broadcast - up to 10 years	£113.40 per image	S
British broadcast - up to 10 years	£138.60	S
Reproduction worldwide - up to 10 years	£157.50	S
Web use	£63.00	S
Web use on line digital streaming service	£200.00	S
Dewi O. Jones Room Hire		
Per Hour	£23.10	E
Per Half Day: 09.30 – 13.00	£63.00	E
Per Half Day: 14.00 – 16.30	£52.50	E
Per Full Day: 09.30 – 16.30	£99.75	E
Penalty charge for overstaying booking period	£32.00	E

Economic and Community Regeneration

Service	Fee/Charge	VAT
Anglesey Business Centre Meeting Room Hire (excluding VAT)		
Llynnon		
Cost per hour	£20.00	Subject to VAT where applicable, i.e
Cost per half day	£50.00	
Cost per full day	£85.00	
Rhosyr		
Cost per hour	£15.00	S – for external clients,
Cost per half day	£40.00	
Cost per full day	£55.00	
Lligwy		
Cost per hour	£15.00	No VAT on internal hires
Cost per half day	£40.00	
Cost per full day	£55.00	
Cybi		
Cost per hour	£15.00	No VAT on internal hires
Cost per half day	£40.00	
Cost per full day	£55.00	
Parys		
Cost per hour	£10.00	No VAT on internal hires
Cost per half day	£30.00	
Cost per full day	£45.00	
Hire of translation equipment	£25.00 per session	-
Hire of video conferencing equipment	£40.00 per session	-
Refreshments	£1.25 per cup	-

Leisure

Service	Fee/Charge	VAT
Leisure Centres		
Leisure Card (Annual Payment)		
Children and young people (under 18 years old) and registered disabled	£7.00	S
60+ years old	£11.00	S
Adults (18 – 59 years old (inclusive))	£20.00	S
Unemployed (3+ months)	£5.00	S
Teams / groups	£70.00	S
Clubs	£95.00	S
Summer Student	£50.00	S
<p>For all casual group bookings, the booking is charged at the full rate All prices are Full Rates (concessionary prices in brackets) All prices are based on per booking, per hour (unless stated otherwise) Swimming = per swim</p> <p>DHLC = David Hughes Leisure Centre PALC = Plas Arthur Leisure Centre ALC = Amlwch Leisure Centre HLC = Holyhead Leisure Centre</p>		
General		
Showers	£3.00 (£2.00)	S
Staff Time (30 mins)	£13.50	S
Sports Hall		
Full Hall	£45.00	S
Full Hall (excluding VAT)	£36.00 (£22.50)	N/A
Full hall - commercial hire (excluding VAT) e.g. Zumba	£50.00	N/A
Half Hall	£25.00	S
Party pool inflatable (HLC)	£81.00	S
Party - bouncy castle (HLC)	£64.00	S
Party - bouncy castle (PALC)	£64.00	S
Various party packages (ALC)	POA	S
Badminton Court / Short Tennis / Short Mat Bowling	£8.00 (£4.50)	S
Badminton court to group	£12.50	S
Court to group (excluding VAT)	£10.00	N/A
Squash court	£8.00 (£4.50)	S
Squash court to group	£12.50	S
Squash Court to group (excluding VAT)	£10.00	N/A
Table tennis (per table)	£8.00 (£4.50)	S
Schools use –without instructors (30 minutes)		
Full hall	£17.50	N/A
Half hall	£13.00	N/A
Instructors for the above	£13.50	N/A
Room Hire		
Activities Room	£15.00	S
Meeting Room	£12.50	N/A
4hrs consecutive booking	£38.00	N/A
Full day	£76.00	S

Fitness room / Weights room		
Induction	£12.00 (£8.50)	N/A
Individual Use:		
16+	£4.80 (£3.80)	S
Weekly Ticket - Gym and Swim	£11.00 (£8.00)	S
Monthly Ticket - Gym and Swim	£32.00 (£24.00)	S
Weekly Ticket (DHLC) - Gym only	£10.00 (£7.50)	S
Youth Fitness Training 14-16 years old - with instructor present	£2.60	N/A
Direct Debit - All Leisure Centres		
Full Package	£27.00	S
Off Peak Package	£17.00	S
Swimming Package	£14.50	S
All categories (Monthly)	£21.00	S
All categories (12 Months)	£210.00	S
Non-refundable administration charge for raising bill	£5.50	S
Exercise By Invitation		
Non acute	£2.00	N/A
Cardiac rehabilitation	£2.00	N/A
Fit 4 Life	£2.50	N/A
Sessions & Courses - Dry Side		
Fitness Session (1 hour)	£4.50 (£3.50)	N/A
Fitness Session (2 hour)	£5.50	N/A
Children's activities	£3.00	N/A
Crèche	£2.00	S
Swimming		
Public swimming (per session)	£4.00 (£2.30)	S
Weekly ticket (Monday-Sunday)	£8.50 (£5.00)	S
Family - daily swim ticket	£10.00	S
Family - weekly swim ticket	£20.00	S
Lessons (30 minutes)	£5.30 (£4.10)	N/A
One to one private lessons (30 minutes)	£21.00 (£17.00)	N/A
IOA Swimming Club Use – per session	£28.00	N/A
IOA Club - lane hire (excluding VAT)	£9.00	N/A
Exclusive use of main pool	£70.00	S
Exclusive use of main pool (excluding VAT)	£56.00	N/A
Exclusive use of teaching pool	£35.00	S
Exclusive use of teaching pool (excluding VAT)	£28.00	N/A
Lane hire	£15.00	S
Swimming - schools use - 1 instructor per class included (30 Minutes)		
Class up to 14 children (1 instructor required)	£31.50	N/A
15 - 29 children (2 instructors required)	£33.50	N/A
Over 30 children (3 instructors required)	£37.00	N/A
Additional instructor	£13.50	N/A

Outdoor Facilities		
Half synthetic pitch (PALC)	£35.00 (£25.00)	S
Half pitch (PALC) (excluding VAT)	£28.00 (£20.00)	N/A
Full synthetic pitch (PALC)	£48.00 (£36.00)	S
Full synthetic pitch (PALC) (excluding VAT)	£38.40 (£28.80)	N/A
Match fee (PALC)	£48.00 (£29.50)	S
Outdoor courts (ALC / David Hughes School)	£27.00 (£19.00)	S
Outdoor Courts (ALC / David Hughes School) (excluding VAT)	£21.60 (£15.20)	N/A
Tennis - cost per head	£4.50 (£2.50)	S
Tennis court - schools use	£6.00	N/A
Equipment Hire		
Ball / Racket	£2.00	S
Kayak - each	£4.50	S

Maritime

Service	Fee/Charge	VAT
St. George's Pier – Menai Bridge		
Laying at pier	£18.00 overnight / per day	S
Freshwater supply - small boats	No charge per occasion	N/A
Freshwater supply - vessels over 15 tonnes	£7.30 per tonne of water	S
Embark and disembark fare paying passengers	£480.00 per annum	S
Car Parking Permit (Annual)	£60.00	S
Beaumaris Pier		
Laying at pier	£18.00 overnight / per day	S
Freshwater supply - small boats	No charge	N/A
Embark and disembark fare paying passengers	£480.00 per annum	S
First Key	£15.00	S
Replacement of Lost Key	£50.00	S
Mooring Licence Fees		
Red Wharf Bay and Cymyran - constant	£0.60 (Per metre x area)	TBC
Beaumaris, Menai Bridge and Fryars Bay – constant	£0.93 (Per metre x area)	TBC
Waiting List Fee	£12.00 per annum	S
Amlwch Outer Harbour		
Berthing – visiting yachts and pleasure craft	£18.00	S
Mooring licence fees (all craft except commercial fishing)	£41.00 per meter, per annum	S
Commercial fishing mooring licence fees	£82.00 per meter, per annum	S
Freshwater supply - small boats	No charge per occasion	N/A
Freshwater supply - vessels over 15 tonnes	£7.30 per tonne of water	S
Freshwater supply – tanker or bowser	£42.00	S
Sale of fuel	Market price	TBC
Lifting out fee (all vessels)	£6.00 per metre	S
Boat storage ashore - outer pens: < 21 days	No charge	N/A
Boat storage ashore - outer pens: > 21 days	£8.81 Per metre per week	S
Boat storage ashore - outer pens: >21 days	£4.26 Per metre per day	S
Conservancy / harbour fee - all craft	£53.00	TBC
Amlwch Inner Harbour		
Mooring licence fees all craft except commercial fishing	£41.00 per metre per year	S
Commercial fishing mooring licence fees	£82.00 per metre per year	S
Non licensed vessels - visiting yachts and pleasure craft	£18.00	S
Non licensed vessels – conservancy / harbour fee -all vessels	£53.00	TBC
Waiting List Fee	£12.00 per annum	S
Holyhead Fish Dock		
Visiting yachts and pleasure craft	£18.00	S
Berthing - South Quay	£82.00 per metre per year	S
Pleasure boat	£480.00 per annum	S
Freshwater supply - small boats	No charge per occasion	N/A
Freshwater supply - vessels over 15 tonnes	£7.30 per tonne of water	S
Freshwater supply – tanker or bowser	£42.00	S
Sale of fuel	Market price	TBC

Registration of all power driven craft (under 10hp, no launch fee)		
Annual Registration		
By post or in Llangefni	£15.00	TBC
At slipway	£20.00	TBC
At private slipways in partnership (75% Council / 25% seller)	£20.00	TBC
Launching fees		
Daily charge	£16.00	S
Annual permit	£160.00	S
Annual permit - reduced for power boat certificate	£105.00	S
Companies launching to demonstrate or test (written agreement)	£80.00	S
Commercial		
Commercial launching vehicle	£90.00	S
First 50 launches	£168.00	S
Every 50 thereafter	£220.50	S
Safety boats for events	No charge (application still required)	N/A
Miscellaneous		
Use of Foreshore by Film Crews/Events etc.		
Half day	£408.00	S
Full day	£720.00	S
Use of foreshore by charitable organisations	At the discretion of Maritime Function staff	TBC
Water Sports Pilot Training Facility		
Room Hire Charge		
Not for profit organisations		
Per hour	£12.00	S
Per half day	£36.00	S
Per full day	£60.00	S
Commercial organisations		
Per hour	£14.00	S
Per half day	£42.00	S
Per full day	£57.50	TBC
Use by local schools	No charge	N/A
Showers	Charged at set meter rate	TBC

Highways

Service	Fee/Charge	VAT
Path Diversions & Extinguishment Orders		
Initial advice and site visit (up to two hours)	No charge	N/A
Application withdrawn or refused after being considered by officers	£210.00	O/S
Order made, but withdrawn following its advertising	£735.00	O/S
Order which is confirmed by the authority unopposed	£1,207.50	O/S
If the order is opposed but objections are subsequently withdrawn	£1,312.50	O/S
If objections are received and sustained and the order is submitted to the National Assembly	£2,257.50	O/S
Multiple applications – if the application involves the diversion of more than one path, the fee for each additional path included in the same order	£315.00	O/S
Temporary Path Diversion & Closure Orders		
Emergency up to 21 days	£210.00	O/S
Short term work up to 5 days (2 weeks' notice required)	£210.00	O/S
Longer term works up to 6 months (6 weeks' notice required and 2 adverts)	£1,260.00	O/S
Extension on 6 months order (application to Welsh Government) (6 weeks' notice and 1 advert)	£840.00	O/S
Street Works		
Skip company registration	£300.00	O/S
Skip permit	£30.00	O/S
Scaffolding company registration	£300.00	O/S
Scaffolding permit	£37.00	O/S
Section 171 (materials on highway)	£250.00	O/S
Section 50 existing (apparatus in highway)	£250.00	O/S
Section 50 new	£350.00	O/S
Road closures	£2,300.00	O/S
Events on the Highway		
Traffic Regulation Orders for the Disabled	Actual Cost	O/S
Access Protection Markings	£85.00	O/S
Town and Police Clauses Act 1847 Fees		
Repeat application small event – includes posting notices on site, new closure and diversion plans, allow for site visit for measures if any changes to closure points and site meetings	£415.00	O/S
New application of small event – requires site visit, measures for TRO etc. and prepare new plans and descriptions for consultation letter and all meetings	£625.00	O/S
Repeat application large event	£625.00	O/S
New application large event	£835.00	O/S
New application for large event such as Olympic Torch	£1,600.00	O/S

Temporary Restriction Order Fees		
Repeat application – small	£1,045.00	O/S
New application – similar to TRO work but requires site visits, descriptions of any new restrictions and possibly measures and descriptions of existing restrictions to be temporarily revoked	£1,255.00	O/S
Search Requests (excluding VAT)		
Basic search at a single location	£50.00	S
Basic search at up to 5 locations	£100.00	S
Advanced Town Searches	£200.00	S
Advanced Area Searches	£410.00	S
Application for major developments	£50.00 per hour	S
Car Parks		
Cars		
30 minutes	£0.50	S
1 hour	£1.00	S
2 hours	£1.50	S
4 hours	£2.00	S
Up to 12 hours	£3.00	S
Buses		
4 hours	£4.00	S
12 hours	£6.00	S
Seasonal		
4 hours	£3.00	S
12 hours	£4.00	S
Trailer		
	£6.00	S
Seasonal - Fron Towyn		
1 hour	£1.00	S
4 hours	£3.00	S
12 hours	£4.00	S
Trailer	£6.00	S
Llanfairpwll Park & Share		
1 day	Free	-
2 to 7 days	£2.00 per day	S
Parking Season Ticket		
12 months	£150.00	S
6 months	£100.00	S

Waste Management

Service	Fee/Charge	VAT
New or replacement black wheeled bin for residual waste (delivery and administration charge only and not sale of the black wheeled bin)	£30.00	S
Bulky waste Collection 'A' (up to 4 items per collection)	£26.00	O/S
Bulky waste collection 'B' (up to ½ tonne per load)	£84.00	O/S
Bulky waste collection 'B' (up to 1½ tonnes per load)	£220.00	O/S
Sale of radar key	£6.00	E
Sale of compost bin (purchase, delivery and administration)	£32.00	S
Trade refuse collection/disposal charges	Actual current rate charged by the Council's waste collection contractor plus a 20% administration charge	S
All Other Fees e.g.: <ul style="list-style-type: none"> • Abandoned shopping & luggage trolley • Removal of refuse sacks • Hire of wheeled bins for organised events Public conveniences - additional opening	Actual cost incurred plus a 20% administration charge	Various

Public Protection

Service	Fee/Charge	VAT
Environmental Health Licences / Permits / Registrations		
Animal Regulation / Welfare		
Riding establishments	£131.25 plus vet's fees	E S
Dog breeding establishments	£162.75 plus vet's fees	E S
Animal boarding establishments	£162.75 plus vet's fees	E S
Performing animals	£204.75	E
Pet Shops	£162.75 plus vet's fees	E S
Zoo licence	£304.50 plus vet's fees	E S
Dangerous wild animals	£462.00 plus vet's fees	E S
Dog control	Statutory Fee: £25 plus Collection Fee: £75.00	TBC S
Dog registration - plastic registration tab	No charge	-
Dog Registration - metal registration tab	£5.00	E
Taxis		
Operator's licence (5 year licence)	£475.00	O/S
Vehicle licence (new and renewal)	£203.00	O/S
Driver licence (3 year licence)(does not include costs of DVLA checks)	£302.00	O/S
Transfer fee	£43.05	O/S
Test fee	£52.50	O/S
Re-test Fee	£52.50	O/S
Vehicle licence plates (new)	£63.00	O/S
Renewal plates	£40.95	O/S
Replacement plates	£26.25	O/S
Replacement plate bracket	£26.25	O/S
Replacement driver's badge	£18.90	O/S

Civil Registration Fees		
Marriage & civil partnership booking Fee - Register Office	£46.00	O/S
Marriage & civil partnership booking Fee - Approved Premises	£100.00	O/S
Town hall ceremonies - Holyhead	£220.00	O/S
Cefni Suite ceremonies – Llangefni:		
Weekdays	£180.00	O/S
Saturdays	£210.00	O/S
Sunday/Bank Holiday	£325.00	O/S
Mon Suite ceremonies – Llangefni:		
Weekdays	£110.00	O/S
Saturdays	£140.00	O/S
Bank Holidays	£250.00	O/S
Wedding in hotel:		
Weekdays	£375.00	O/S
Saturdays	£395.00	O/S
Sunday/Bank Holiday	£490.00	O/S
Cefni Suite & approved premises - extended hours:		
Weekdays 6-8pm	£130.00	O/S
Weekdays 8-12pm	£250.00	O/S
Saturdays 6-8pm	£180.00	O/S
Saturdays 8-12pm	£300.00	O/S
Sunday/Bank Holidays 6-8pm	£250.00	O/S
Sunday/Bank Holiday 8-12pm	£360.00	O/S
Licensing of premises for civil ceremonies	£1,400.00	O/S
Additional room in an approved premises	£200.00	O/S
Wedding rehearsals	£55.00	O/S
Administration fee – name change etc	£50.00	O/S
Baby naming ceremony:		
Weekdays	£215.00	O/S
Weekend/Bank Holiday	£265.00	O/S
Renewal of vows:		
Weekdays	£215.00	O/S
Weekend/Bank Holiday	£265.00	O/S
Historical search of 3 years either side of a chosen date	£31.50	O/S
Priority (same day) service for certificates (surcharge):		
Collected	£10.00	O/S
Posted	£13.00	O/S
Certificates issued within 24 hours (surcharge)		
Collected	£5.00	O/S
Posted	£8.00	O/S
Standard 3-5 working days	£3.00	O/S
Certification of documents	£3.00	O/S
Citizenship ceremonies – priority service (surcharge)	£105.00	O/S

Miscellaneous		
Street Trading Consents		
Retail and catering		
Day	£52.50	O/S
Week	£157.50	O/S
Month	£236.25	O/S
3 month seasonal	£682.50	O/S
6 month seasonal	£1,260.00	O/S
Annual	£1,890.00	O/S
Mobile units	£1,050.00 annual	O/S
Promotion		
Day	£31.50	O/S
Week	£78.75	O/S
Month	£157.50	O/S
Tattooing / semi-permanent make-up	£120.00 per premises plus £60.00 per practitioner	O/S
Ear / cosmetic piercing	£120.00 per premises plus £60.00 per practitioner	O/S
Acupuncture	£120.00 per premises plus £60.00 per practitioner	O/S
Electrolysis	£120.00 per premises plus £60.00 per practitioner	O/S
Sex Shop / sex cinema	£945.00 (including potential hearing costs)	O/S
Health Act 2006 – smoking offences	Statutory fines	O/S
Fees for small lotteries, for gaming machines and for permits for amusements with prizes are all set by central government		
Licensing searches and enquiries	£99.75 per hour	S
Registration or renewal of registration as motor salvage operator (3 year registration)	£131.25	O/S
Certified copy of single entry in motor salvage operators register	£21.00	O/S
Non-certified copies of entry in motor salvage operators register	Corporate Photo-copying charges apply	O/S
Pre-licensing advice:		
Minimum Charge	£105.00	S
Each hour or part thereof will be charged at standard rate per hour per officer	£99.75	S
Gambling Act 2005		
Regional Casino		
Annual fee	£15,000.00	O/S
Transfer application	£6,500.00	O/S
Application for re-instatement	£6,500.00	O/S
Application for provisional statement	£15,000.00	O/S
Licence application (Provisional Statement holders)	£8,000.00	O/S

Large Casino		
Annual fee	£10,000.00	O/S
Transfer application	£2,150.00	O/S
Application for re-instatement	£2,150.00	O/S
Application for provisional statement	£10,000.00	O/S
Licence application (Provisional Statement holders)	£5,000.00	O/S
Small Casino		
Annual fee	£5,000.00	O/S
Transfer application	£1,800.00	O/S
Application for re-instatement	£1,800.00	O/S
Application for provisional statement	£8,000.00	O/S
Licence application (Provisional Statement holders)	£3,000.00	O/S
Converted Casino Premises		
Annual fee	£3,000.00	O/S
Transfer application	£1,350.00	O/S
Application for re-instatement	£1,350.00	O/S
Bingo		
Annual fee	£1,000.00	O/S
Transfer application	£1,200.00	O/S
Application for re-instatement	£1,260.00	O/S
Application for provisional statement	£3,675.00	O/S
Licence application (Provisional Statement holders)	£1,260.00	O/S
Variation application	£1,750.00	O/S
Adult Gaming Centre		
Annual fee	£1,000.00	O/S
Transfer application	£1,200.00	O/S
Application for re-instatement	£1,260.00	O/S
Application for provisional statement	£2,100.00	O/S
Licence application (Provisional Statement holders)	£1,260.00	O/S
Variation application	£1,000.00	O/S
Betting (Track)		
Annual fee	£1,000.00	O/S
Transfer application	£950.00	O/S
Application for re-instatement	£1,000.00	O/S
Application for provisional statement	£2,625.00	O/S
Licence application (Provisional Statement holders)	£1,000.00	O/S
Variation application	£1,250.00	O/S
Family Entertainment		
Annual fee	£750.00	O/S
Transfer application	£950.00	O/S
Application for re-instatement	£1,000.00	O/S
Application for provisional statement	£2,100.00	O/S
Licence application (Provisional Statement holders)	£1,000.00	O/S
Variation application	£1,000.00	O/S

Betting (Other)		
Annual fee	£600.00	O/S
Transfer application	£1,200.00	O/S
Application for re-instatement	£1,260.00	O/S
Application for provisional statement	£3,150.00	O/S
Licence application (Provisional Statement holders)	£1,260.00	O/S
Variation application	£1,500.00	O/S
Pest Control Treatment		
Commercial pest control (dependant of size of premises)	£78.75 per visit	S
Commercial pest control treatment contracts (Total cost variable, depending on size of premises, frequency of visits per annum etc)	£57.75 per hour plus cost of materials.	S
Domestic pest control – rats and mice		
24 hour response	£45.00	S
5 day response	£30.00	S
Domestic pest control treatments (except rodents)		
Cockroaches	£85.00	S
Bedbugs (subject to survey)	£170.00	S
Fleas – 24 hour response	£65.00	S
Fleas – 5 day response	£50.00	S
Wasps, bees, ants, other – 24 hour response	£65.00	S
Wasps, bees, ants, other – 5 day response	£50.00	S
Fumigation		
Up to 3 bedroom	£55.00	S
4 bedroom and above	£70.00	S
Other Environmental Health Charges		
Dog fouling fixed penalty fines	Statutory fines	O/S
Night time noise offence	Statutory fines	O/S
National food hygiene rating system - rerating	Statutory fines	O/S
National food hygiene rating system – failure to display rating fixed penalty	Statutory fines	O/S
Certificates for damaged food	£78.75 per certificate	O/S
Copies of the Food Premises Register	Corporate photocopying charges apply	O/S
Immigration inspections	£195.30	S
Houses in Multiple Occupation	TBC	O/S
Houses in Multiple Occupation Additional Licensing Scheme	TBC	O/S
Fees for serving Enforcement Notices as prescribed under Section 49 of the Housing Act 2004	£199.50	O/S
Request for HHSRS Housing Inspection – commercial	£207.90	S
Consent to operate loudspeakers in streets	£89.25 plus cost of advertisement	O/S
Abandoned vehicles	Prescribed fees	O/S
Applications for EPA authorisations	Statutory fines	O/S
Copies of the Authorisations Register	Corporate photocopying charges apply	O/S
The Private Water Supplies (Wales) Regulations 2010. These Regulations prescribe the fees local authorities can make for regulating private water supplies:		

Risk assessment	TBC	O/S
Small supplies sampling	TBC	O/S
Large supplies sampling	TBC	O/S
Investigation	TBC	O/S
Authorisation	TBC	O/S
Taken under Reg. 10	TBC	O/S
Taken during check monitoring	TBC	O/S
Taken during audit monitoring	TBC	O/S
Potable water supplies sampling (E.g. port health, ships etc.)	TBC	S
Private water supplies enquiry	TBC	S
Contaminated land enquiry	£220.50	S
Export Health Certificates	£28.98	S
Export Health Certificates - same day request	£41.58	S
Other Export Health Certificates (maximum 5 per request)	£28.98	S
Other Export Health Certificates – same day request (maximum 5 per request)	£41.58	S
Ships Sanitation Certificate	TBC (Nationally set by the Association of Port Health Authorities)	O/S
Mobile Homes (Wales) Act 2013		
Single Caravan	TBC	E
Small site (2 – 10 units)	TBC	E
Medium site (11 - 50 units)	TBC	E
Large site (51 + units)	TBC	E
Vary conditions	TBC	E
Lodge rules	TBC	E
Replacement licence	TBC	E
Markets and Fairs		
Amlwch and Holyhead - Period 1 (April 2015 to September 2016 inclusive)		
Traders (minimum charge of £20.00 and a maximum charge of £40.00)	£4.20 for the first metre plus £0.55 per tenth of a metre thereafter	O/S
Amlwch and Holyhead - Period 2 (October 2015 to March 2016 inclusive)		
Traders (minimum charge of £15.00 and a maximum of £24.70)	£2.10 for the first metre plus £0.25 pence per tenth of a metre thereafter	O/S

Menai Bridge Fair		
Zone A – Bridge Street and Wood Street (up to 2 meters)	£15.00 per metre (minimum charge £40.00)	O/S
Zone A – Bridge Street and Wood Street (in excess of 2 metres)	Above fee plus £1.50 for each additional 0.1 metres	O/S
Zone B – Telford Road (up to 2 metres)	£12.50 per metre (minimum charge £40.00)	O/S
Zone B – Telford Road (in excess of 2 metres)	£1.25 for each additional 0.1 metres	O/S
Zone C – Water Street (up to 2 metres)	£10.00 per metre (minimum charge £40.00)	O/S
Zone C – Water Street (in excess of 2 metres)	£1.00 for each additional 0.1 metres	O/S
Anglesey Farmers' Market		
	£27.00 per stall	O/S
Licensing of non-council owned markets and car boot sales		
Car boot sales held on same day as Local Authority owned markets	Minimum deposit of £57.75 to be paid not less than 28 days prior to the event followed by a charge of £1.05 per stall/vehicle/table	O/S
Car boot sales held on a different day to Local Authority owned markets	Minimum deposit of £31.50 to be paid not less than 28 days prior to the event followed by a charge of £1.05 per stall/vehicle/table	O/S
Metrology		
Special Weighing and Measuring Equipment		
Examining, adjusting, testing, certifying, stamping, authorising or reporting of special weighing or measuring equipment. Types of equipment, specifically excluded from tables include: <ul style="list-style-type: none"> • Automatic or totalising weighing machines. • Equipment designed to weigh loads in motion. • Bulk fuel measuring equipment tested following a Regulation 65 or 66 occurrence. • Weighing or measuring equipment tested by means of statistical sampling. • The establishment of calibration curves for templets • Templets graduated in millilitres. • Testing or other services in pursuance of a community obligation other than EC initial or partial verification. • Certifying of weighing or measuring equipment where a statement of actual error is required. 	£99.75 per officer per hour (Individually calculated by a local authority based upon the above figure of at the place where the service is provided)	O/S

Weighing Instruments		
Not exceeding 1 tonne	£141.75	O/S
Exceeding 1 tonne to 10 tonnes	£231.00	O/S
Exceeding 10 tonnes	£514.50	O/S
A charge to cover any additional costs involved in testing instruments incorporating remote display or printing facilities could be based on the basic fee given above plus additional costs at the rate of £95.00 per extra officer per hour. When supplying specialist equipment (including, but not limited to, weighbridge test unit, van and test weights) an additional fee may be charged hourly, daily or per appointment, according to circumstances.		
Measuring Instruments for Liquid Fuel and Lubricants		
Single / multi-outlets (nozzles):		
(a) First nozzle tested	£99.75 per officer hour	
(b) Each additional nozzle tested	£99.75 per officer hour	
A charge to cover any additional costs involved in testing ancillary equipment which requires additional testing on site, such as credit card acceptors could be based upon the basic fee given above plus additional costs at the rate of £95.00 per extra officer/hour.		
Calibration Certificates		
Providing Calibration Certificate	£52.50	O/S
Poisons Registration		
Initial Registration	Statutory fees	TBC
Re-registration	Statutory fees	TBC
Change in details of registration	Statutory fees	TBC
Notes for testing Metrology Equipment:		
1. Whenever equipment is tested and no appropriate fee is prescribed in the Schedule of Fees, the work should be costed out at a rate of £95.00 per hour.		
2. To ensure that the authority is competitive in its commercial calibration service the above schedule should be used as the costing basis for calibration activities associated with ISO 9000 work, but with discounts to be agreed with respect to multiple submissions on the same site. The scale of discount applicable will be determined by the Chief Trading Standards Officer in consultation with the Head of Planning & Public Protection, having regard to commercial considerations only. This may be extended to other calibration activities, if the local authority monopoly is removed.		
“BUY WITH CONFIDENCE” – TRADER APPROVAL SCHEME		
	(Fees now set by central hub, fees to follow in April 16)	
New application	TBC	TBC
Annual fee	TBC	TBC

Planning

Service	Fee/Charge	VAT	
Sending of Fax			
First Sheet	£2.16	S	
Thereafter	£0.90	S	
Planning Service			
Decision Notice and other official documents (unless part of a research enquiry)	No charge	-	
A4 – general :			
Black and White (FOI/EI requests)	£0.10 per sheet	O/S	
Colour (FOI/EI requests)	£0.50 per sheet	O/S	
Black and White	£0.12 per sheet	S	
Colour	£0.60 per sheet	S	
A3 – plans etc :			
Black and White (FOI/EI requests)	£0.50 per sheet	O/S	
Colour (FOI/EI requests)	£1.00 per sheet	O/S	
Black and White	£0.60 per sheet	S	
Colour	£1.20 per sheet	S	
A2 – plans :			
Black and White (FOI/EI requests)	£4.50 per sheet	O/S	
Colour (FOI/EI requests)	£7.50 per sheet	O/S	
Black and White	£5.40 per sheet	S	
Colour	£9.00 per sheet	S	
A1 – plans :			
Black and White (FOI/EI requests)	£5.50 per sheet	O/S	
Colour (FOI/EI requests)	£8.50 per sheet	O/S	
Black and White	£6.60 per sheet	S	
Colour	£10.20 per sheet	S	
A0 – plans :			
Black and White (FOI/EI requests)	£6.50 per sheet	O/S	
Colour (FOI/EI requests)	£9.50 per sheet	O/S	
Black and White	£7.80 per sheet	S	
Colour	£11.40 per sheet	S	
Copies on CD	£18.00	S	
Planning application fees	Fixed fee set by Central Government http://www.legislation.gov.uk/wsi/2015/1522/contents/made	-	
Building Regulation Applications¹			
Table A: New Dwellings and Dwellings Created by Conversion			
No of Dwellings:			
1	Plan Deposit Charge	£200.27	S
	Inspection Charge	£371.93	
	Building Notice or Reversion Charge	£572.20	

¹ All Building Control service fees are subject to review during 2016/17

2	Plan Deposit Charge	£286.87	S
	Inspection Charge	£532.76	
	Building Notice or Reversion Charge	£819.64	
3	Plan Deposit Charge	£368.06	S
	Inspection Charge	£683.56	
	Building Notice or Reversion Charge	£1,051.62	
4	Plan Deposit Charge	£470.90	S
	Inspection Charge	£874.55	
	Building Notice or Reversion Charge	£1,345.45	
5	Plan Deposit Charge	£589.99	S
	Inspection Charge	£1,095.70	
	Building Notice or Reversion Charge	£1,685.69	
6	Plan Deposit Charge	£687.42	S
	Inspection Charge	£1,276.63	
	Building Notice or Reversion Charge	£1,964.05	
7	Plan Deposit Charge	£703.65	S
	Inspection Charge	£1,306.79	
	Building Notice or Reversion Charge	£2,010.44	
8	Plan Deposit Charge	£795.67	S
	Inspection Charge	£1,477.68	
	Building Notice or Reversion Charge	£2,273.35	
9	Plan Deposit Charge	£882.28	S
	Inspection Charge	£1,638.52	
	Building Notice or Reversion Charge	£2,520.79	
10	Plan Deposit Charge	£979.70	S
	Inspection Charge	£1,819.45	
	Building Notice or Reversion Charge	£2,799.16	
11	Plan Deposit Charge	£1,033.84	S
	Inspection Charge	£1,919.98	
	Building Notice or Reversion Charge	£2,953.81	
12	Plan Deposit Charge	£1,131.26	S
	Inspection Charge	£2,100.92	
	Building Notice or Reversion Charge	£3,232.19	
13	Plan Deposit Charge	£1,174.57	S
	Inspection Charge	£2,181.34	
	Building Notice or Reversion Charge	£3,355.91	
14	Plan Deposit Charge	£1,272.00	S
	Inspection Charge	£2,362.28	
	Building Notice or Reversion Charge	£3,634.28	
15	Plan Deposit Charge	£1,331.53	S
	Inspection Charge	£2,472.85	
	Building Notice or Reversion Charge	£3,804.38	
16	Plan Deposit Charge	£1,401.90	S
	Inspection Charge	£2,603.53	
	Building Notice or Reversion Charge	£4,005.43	
17	Plan Deposit Charge	£1,466.86	S
	Inspection Charge	£2,724.16	
	Building Notice or Reversion Charge	£4,191.01	
18	Plan Deposit Charge	£1,542.64	S
	Inspection Charge	£2,744.89	
	Building Notice or Reversion Charge	£4,407.53	

19	Plan Deposit Charge	£1,623.83	S
	Inspection Charge	£3,015.67	
	Building Notice or Reversion Charge	£4,639.50	
20	Plan Deposit Charge	£1,694.20	S
	Inspection Charge	£3,146.35	
	Building Notice or Reversion Charge	£4,840.55	
Table B: Charges for Certain Small Buildings, Extensions and Alterations to Dwellings (Formerly Schedule 2)			
Detached and Attached Garages and Carports used in common with existing dwellings			
1. The erection of a detached or attached garage with a floor area not exceeding 40 sq. m	Plan Deposit Charge	£108.25	S
	Inspection Charge	£201.05	
	Building Notice or Reversion Charge	£309.30	
Extensions/Conversions works / Loft Conversions & Building Alteration works to Dwellings			
2. Conversion of existing garage to form additional accommodation with a floor area not exceeding 40 sq. m	Plan Deposit Charge	£97.43	S
	Inspection Charge	£108.95	
	Building Notice or Reversion Charge	£278.38	
3. Any extension of a dwelling the total floor area of which does not exceed 10 sq. m including means of access and work in connection with that extension	Plan Deposit Charge	£108.25	S
	Inspection Charge	£201.05	
	Building Notice or Reversion Charge	£309.30	

4. Any extension of a dwelling the total floor area of which exceeds 10 sq. m, but does not exceed 40 sq. m, including means of access and work in connection with that extension.	Plan Deposit Charge	£162.38	S
	Inspection Charge	£301.57	
	Building Notice or Reversion Charge	£463.96	
5. Any extension of a dwelling the total floor area of which exceeds 40 sq. m, but does not exceed 60 sq. m, including means of access and work in connection with that extension.	Plan Deposit Charge	£189.68	S
	Inspection Charge	£352.26	
	Building Notice or Reversion Charge	£541.94	
6. Any extension of a dwelling the total floor area of which exceeds 60 sq. m, but does not exceed 80 sq. m, including means of access and work in connection with that extension.	Plan Deposit Charge	£227.34	S
	Inspection Charge	£422.20	
	Building Notice or Reversion Charge	£649.54	
7. Conversion of a loft space to form additional residential accommodation with a floor area not exceeding 50 sq. m	Plan Deposit Charge	£189.68	S
	Inspection Charge	£351.00	
	Building Notice or Reversion Charge	£540.68	

8. Conversion of a loft space to form additional residential accommodation with a floor area exceeding 50 sq. m	Plan Deposit Charge	£227.34	S
	Inspection Charge	£422.20	
	Building Notice or Reversion Charge	£649.54	
9. Replacement windows and doors	Plan Deposit Charge	£78.00	S
	Inspection Charge	Included in Plan Charge	
	Building Notice or Reversion Charge	£78.00	
10. Renovation of a single thermal element e.g. replacement roof / floors.	Plan Deposit Charge	£92.80	S
	Inspection Charge	Included in Plan Charge	
	Building Notice or Reversion Charge	£92.80	
Please Note: Where other minor building work is carried out at the same time as an extension referred to in 3 to 8 above, the additional charge will be as 11 below.			
11. Costs of works < £1,000	Plan Deposit Charge	£61.86	S
	Inspection Charge	Included in Plan Charge	
	Building Notice or Reversion Charge	£61.86	
Cost of works between £1,000 and £5,000	Plan Deposit Charge	£92.80	S
	Inspection Charge	Included in Plan Charge	
	Building Notice or Reversion Charge	£92.80	
Where the estimated cost of the works in 11, above, is in excess of £5,000 the charge will be in accordance with the 'Table C'.			
New Electrical Installations & electrical works to existing properties			
12. Electrical wiring in connection with a new extension to a dwelling still under construction with a floor area not exceeding 60 sq. m	Plan Deposit Charge	£309.30	S
	Inspection Charge	Included in Plan Charge	
	Building Notice or Reversion Charge	£309.30	
13. New electrical installation to a dwelling under construction or a re-wire of an existing dwelling (up to max of 5 bedrooms)	Plan Deposit Charge	£402.10	S
	Inspection Charge	Included in Plan Charge	
	Building Notice or Reversion Charge	£402.10	

Table C – Work other than work to which Tables A and B apply (Formerly Schedule 3)			
(BASED ON ACTUAL ESTIMATED COST OF BUILDING WORKS AS CARRIED OUT BY VAT REGISTERED CONTRACTORS)			
Estimated Cost of Works			
< £1,000	Plan Deposit Charge	£123.72	S
	Inspection Charge	Included in Plan Charge	
	Building Notice or Reversion Charge	£123.72	
£1,001 - £5,000	Plan Deposit Charge	£185.58	S
	Inspection Charge	Included in Plan Charge	
	Building Notice or Reversion Charge	£185.58	
£5,001 - £10,000	Plan Deposit Charge	£97.43	S
	Inspection Charge	£180.94	
	Building Notice or Reversion Charge	£278.36	
£10,001 - £15,000	Plan Deposit Charge	£119.08	S
	Inspection Charge	£221.15	
	Building Notice or Reversion Charge	£340.22	
£15,001 - £20,000	Plan Deposit Charge	£140.74	S
	Inspection Charge	£261.36	
	Building Notice or Reversion Charge	£402.10	
£20,001 - £25,000	Plan Deposit Charge	£162.38	S
	Inspection Charge	£301.57	
	Building Notice or Reversion Charge	£463.96	
£25,001 - £30,000	Plan Deposit Charge	£184.03	S
	Inspection Charge	£341.77	
	Building Notice or Reversion Charge	£525.80	
£30,001 - £35,000	Plan Deposit Charge	£205.68	S
	Inspection Charge	£381.98	
	Building Notice or Reversion Charge	£587.66	
£35,001 - £40,000	Plan Deposit Charge	£227.34	S
	Inspection Charge	£422.20	
	Building Notice or Reversion Charge	£649.54	

£40,001 - £45,000	Plan Deposit Charge	£238.16	S
	Inspection Charge	£422.30	
	Building Notice or Reversion Charge	£680.46	
£45,001 - £50,000	Plan Deposit Charge	£259.81	S
	Inspection Charge	£482.51	
	Building Notice or Reversion Charge	£742.32	
£50,001 - £55,000	Plan Deposit Charge	£281.46	S
	Inspection Charge	£522.72	
	Building Notice or Reversion Charge	£804.18	
£55,001 - £60,000	Plan Deposit Charge	£303.12	S
	Inspection Charge	£562.93	
	Building Notice or Reversion Charge	£866.05	
£60,001 - £65,000	Plan Deposit Charge	£324.77	S
	Inspection Charge	£603.13	
	Building Notice or Reversion Charge	£927.90	
£65,001 - £70,000	Plan Deposit Charge	£346.42	S
	Inspection Charge	£643.34	
	Building Notice or Reversion Charge	£989.76	
£70,001 - £75,000	Plan Deposit Charge	£368.06	S
	Inspection Charge	£683.56	
	Building Notice or Reversion Charge	£1,051.62	
£75,001 - £80,000	Plan Deposit Charge	£389.72	S
	Inspection Charge	£723.77	
	Building Notice or Reversion Charge	£1,113.49	
£80,001 - £85,000	Plan Deposit Charge	£411.37	S
	Inspection Charge	£763.97	
	Building Notice or Reversion Charge	£1,175.34	
£85,001 - £90,000	Plan Deposit Charge	£433.02	S
	Inspection Charge	£804.18	
	Building Notice or Reversion Charge	£1,237.20	

£90,001 - £95,000	Plan Deposit Charge	£454.67	S
	Inspection Charge	£844.39	
	Building Notice or Reversion Charge	£1,299.06	
£95,001 - £100,000	Plan Deposit Charge	£476.33	S
	Inspection Charge	£844.60	
	Building Notice or Reversion Charge	£1,360.93	
For developments in excess of £100,000 contact the Building Control Team Leader			
Research and commercial enquiries (minimum charge)		£94.50 per hour	S
Pre-planning advice on large applications		The Planning Service has received notification on the 2 nd of February that all pre-application fees will no longer be a discretionary fee and will be set by Welsh Government. A new schedule of fees will be received and implemented on the 16 th of March upon receipt from WG.	
Countryside/ Wardening			
Talks by members of staff		No charge	-
Car parking fee at Breakwater Country Park, Holyhead:			
1 hour		£1.00	S
2 hours		£1.50	S
4 hours		£2.00	S
Up to 12 hours		£3.00	S
Annual Permit		£25.00	S
Build Environment and Landscape			
High hedges complaints		£320.00	Z
Site inspection (minimum charge)		£94.50 per hour	S
GIS DATA SETS (FOR EXAMPLE - TPO's, HEDGEROWS, LISTED BUILDINGS)		£81.90 per set plus £81.90 admin fee	S

Legal

Service	Fee/Charge ²	VAT
Local Land Charges		
Search	£108.00	TBC
Form LLC1	£8.00	TBC
Con 29 (excl. question 22)	£11.00 per question	TBC
Question 22	£15.00	
Discretionary Legal Fees		
Planning obligations (section 106 agreements)		
Self-build single affordable dwelling	£525.00	Various ³
All other agreements (for 3 hours work, relevant hourly rate will be applied on time spent in excess of 3 hours, see rates set out below)	£788.00	
Simple deeds of release	£250.00	
Sale of land or Grants of leases		
Where no solicitor instructed by other party (for 3 hours work, relevant hourly rate will be applied on time spent in excess of 3 hours, see rates set out below)	£474.00	
Where a solicitor instructed by other party (for 6 hours work, relevant hourly rate will be applied on time spent in excess of 6 hours, see rates set out below)	£948.00	
Section 38 and 278 agreements (Highways Act)	£788.00	
Traffic regulation orders where requested by third parties (for 4.5 hours work, relevant hourly rate will be applied on time spent in excess of 4.5 hours, see rates set out below)	£475.00	
Appropriate hourly rates		
Head of Function, Legal Services Manager or Solicitors	£158.00	
All other fee earning staff	£95.00	
NOTE - The Head of Function or the Legal Services Manager will, at their discretion, have the power to waive the fee in certain cases of proven financial hardship.		

² All fees within the Legal service are subject to review during 2016/17.

³ Value Added Tax (VAT) is payable on certain fees relating to property transactions. Essentially, where the property is registered for VAT. The above fees are exclusive of VAT which will be charged on the relevant fee at the then prevailing rate.

ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	EXECUTIVE COMMITTEE
DATE:	1 MARCH 2016
SUBJECT:	MEDIUM TERM FINANCIAL PLAN AND BUDGET 2016/17
PORTFOLIO HOLDER(S):	COUNCILLOR H E JONES
HEAD OF SERVICE:	MARC JONES (EXT. 2601)
REPORT AUTHOR:	Marc Jones
TEL:	2601
E-MAIL:	rmjfi
LOCAL MEMBERS:	n/a
A - Recommendation/s and reason/s	
1. MEDIUM TERM FINANCIAL PLAN AND 2016/17 BUDGET	
1.1 Purpose	
<p>The Executive is required to agree a number of key matters in respect of the 2016/17 budget. This will then allow the final recommendations to be presented to the Full Council at its meeting on 10 March 2016. The matters requiring agreement are:-</p> <ul style="list-style-type: none"> • The Council's Revenue Budget and resulting Council Tax for 2016/17; and to note: • The Council's updated Medium Term Financial Strategy; • The use of one off funds to support the budget. 	
1.2 Summary	
<p>This paper shows the detailed revenue budget proposals requiring final review and agreement for 2016/17 and the resulting impact on the Isle of Anglesey County Council's Budget. These are matters for the Council to agree and the Executive is asked to make final recommendations to the Council.</p> <p>It also updates the Medium Term Financial Strategy which provides a context for work on the Council's future budgets.</p>	
2. REVENUE BUDGET AND COUNCIL TAX 2016/17 RECOMMENDATIONS	
<p>The Executive is requested:-</p> <ul style="list-style-type: none"> • To note the formal consultation meetings on budget and consider the resulting feedback, as outlined in Section 2 and Appendix 1; • To note the equalities implications summary on the budget proposals in Section 11; • To agree that, within the proposed budget, schools are given an increase in budget which meets the Welsh Government's pledge for schools funding, as detailed in paragraph 4.3; • To agree the final details of the Council's proposed budget, investments, pressures and savings as shown in paragraph 10 and Appendix 5; • To note the Section 151 Officer's recommendation on the minimum General Fund Balances be maintained at £5m, the confirmation of the robustness of the estimates underlying the proposals and the adequacy of the General Reserves in the context of other earmarked reserves; • To recommend a net budget for the County Council and resulting Council Tax to Council, noting that a formal resolution, including the North Wales Police and Community Council Precepts, will be presented to the Council on the 10 March 2016; 	

- To authorise the Section 151 Officer to make such changes as may be necessary before the submission to the Council;
- To agree that any unforeseen pressures on demand led budgets during the financial year will be able to draw upon funding from the general contingencies budgets;
- To recommend a 3.5% Council Tax increase to full Council.

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

A number of options were considered whilst formulating the final budget proposals. The proposed budget ensures that the Council sets a balanced budget whilst taking into account the views obtained during the consultation process and the views of the Scrutiny Committee.

C - Why is this decision for the Executive?

The Constitution requires the Executive to publish its final budget proposal prior to its consideration by the Council.

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

N/A

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

N/A

DD - Who did you consult?

What did they say?

1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	The CE has been part of the budget setting process and is in agreement with the report and supports the final budget proposal
2	Finance / Section 151 (mandatory)	n/a – this is the Section 151 Officer's report
3	Legal / Monitoring Officer (mandatory)	No Comment
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	

E - Risks and any mitigation (if relevant)

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

F - Appendices:

Appendix 1 – Summary of the Results of the Consultation Process
 Appendix 2 – Breakdown of the Proposed Savings
 Appendix 3 – Budget Pressure Report – Head of Children's Services
 Appendix 4 – Budget Pressure Report – Head of Adult Services
 Appendix 5 – Summary of Proposed Revenue Budget 2016/17 by Service

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

1. INTRODUCTION AND BACKGROUND

- 1.1. The following report sets out the 2016/17 revenue budget proposals and it is one of a set of reports which provides an overall picture of the financial position of the Council and ensures that the Council funding is allocated to meet its priorities. The other reports which form part of the set of reports relate to the Council's Capital Programme for 2016/17, the Council's Treasury Management Strategy, Fees and Charges and the Use of Council Reserves.
- 1.2. The revenue budget and the continued need to identify revenue savings has been driven by the Medium Term Financial Strategy. The Strategy, approved by the Executive Committee in February 2015, can be summarised as follows:-

Table 1
Medium Term Financial Plan 2016/17 to 2019/20

	2016/17 £'m	2017/18 £'m	2018/19 £'m	2019/20 £'m
Net Revenue Budget B/F	124.6	121.9	119.4	117.8
Budget Pressures & Inflation	2.3	2.6	2.7	2.7
Revised Budget	126.9	124.5	122.1	120.5
Aggregate External Finance	(89.6)	(86.1)	(83.5)	(81.0)
Council Tax	(32.3)	(33.3)	(34.3)	(35.3)
Total Funding	121.9	119.4	117.8	116.3
Savings Required	5.0	5.1	4.3	4.2
Main Assumptions				
Pay Awards	1%	1%	1%	1%
General Inflation	1.25%	1.50%	1.50%	1.50%
Reduction in AEF	-4.5%	-3%	-3%	-3%
Increase in Council Tax	4.5%	3%	3%	3%

- 1.3. The Executive's initial budget proposals (Executive 9 November 2015) set the standstill budget at £126.7m and, based on a Council Tax rise of 4.5%, the budget gap was identified as £5.57m with proposed savings of £3.91m identified. This would have resulted in additional savings of £1.66m having to be identified.

2. THE COUNCIL'S CONSULTATION

- 2.1. The Executive approved the initial budget proposals at its meeting on 9 November 2015 and then embarked on a seven week public consultation. Citizens, partners, stakeholders and staff were asked to respond to the consultation by various means, including:-

- Online surveys
- Writing or e-mailing the Council
- Attending one of 13 drop in sessions with the Council Leader

- 2.2. In addition, the Council also undertook:-

- Focus group sessions for the under 25s;
- An online survey for the under 25s;
- A session for a number of stakeholders and partners, including the Police, the Fire & Rescue Service, Health Board, Town and Community Councils and 3rd sector organisations.

- 2.3. The results of the consultation process are attached as Appendix 1.

3. REVISED STANDSTILL BUDGET 2016/17 AND THE BUDGET GAP

- 3.1. Since the completion of the initial budget proposals, further work has been undertaken to review and revise the standstill budget for 2016/17. This has resulted in a number of changes, which are detailed below:-

Table 2
Adjustments to the Standstill Budget

	£'m	£'m
Standstill Budget as at 16 November 2015		126.701
Correction of NI Budgets – originally standstill included a contingency of £1.5 million	(0.202)	
Senior Education Officer – inclusion of additional post as previously agreed	0.083	
Reduction in travelling budgets – following revised conditions of service	(0.094)	
Increase in Cost of Change Contingency	0.088	
Reduction in Fire Levy – following final confirmation	(0.010)	
Other Miscellaneous Adjustments	0.073	
Total Adjustments to Standstill Budget		(0.062)
Revised Standstill Budget as at 7 March 2016		126.639

- 3.2. The provisional settlement was received on 9 December 2015, but the final settlement will not be received until 9 March 2016. However, the Welsh Government officials have indicated that any movement between the provisional and final settlement will be small and that any adjustment required will be accounted for by making a small contribution to or from general balances.
- 3.3. The provisional settlement figure showed a reduction in funding of 2% which gave an Aggregate External Finance (AEF) figure of £91.925m. Following a review by the Welsh Government, the AEF was revised upwards to £91.928m. In order to fund the standstill budget, it would require the Council Tax income to be £34.711m, which equates to a rise of 11.88%. If the Council Tax was increased by 4.5%, the Executive Committee's initial proposal, then the total funding available (AEF & Council Tax) would be £124.348m, a shortfall of £2.291m.

4. SAVINGS

- 4.1. In its initial budget proposals, the Executive Committee had identified £3.913m of potential savings. The proposed savings have been subject to further review by the Finance Managers, Accountants and the Service Managers. The review identified that £2.955m are achievable within the year. A summary by Service is shown in Table 3 below and by Savings category is shown in Table 4 below (a full breakdown is attached as Appendix 2):-

**Table 3
Summary of Savings Proposals by Service**

Service	Proposed £'000	To be Implemented £'000	Not Possible to Implement £'000
Adults	475	335	140
Children	168	143	25
Housing	99	74	25
Education	1,279	1,267	12
Culture	41	41	0
Leisure	145	103	42
Economic & Maritime	44	44	0
Highways & Transport	490	490	0
Property	135	85	50
Waste	414	155	259
Public Protection	67	67	0
Planning	44	44	0
Council Business	76	56	20
Transformation	59	4	55
Resources	127	72	55
Authority Wide	250	0	250
Total	3,913	2,980	933

**Table 4
Savings Summary by Category**

Savings Category	Proposed £'000	To be Implemented £'000	Not Possible to Implement £'000
Cessation / Transfer of Service	598	528	70
Delete vacant / unrequired posts	397	309	88
General Efficiency Savings	227	187	40
Reduction in School Budgets	1,000	988	12
Income Generation	322	273	49
Reduction in Grants Awarded	383	125	258
Remove Unused Budgets	292	257	35
Re-tendering / procurement savings	160	130	30
Service Transformation	534	183	351
Total	3,913	2,980	933

4.2. The review of the proposed savings has thoroughly considered whether the savings can be achieved and the reasons for deciding that savings cannot be implemented varied but can be summarised into the following categories:-

- A decision taken by the Executive reduces or prevents the saving from being made (Sale of Garreglwyd, 3 weekly refuse collection);
- The saving was linked to the voluntary redundancy process and has been included in the overall savings figure from voluntary redundancies (see paragraph 4.3 below);
- The need to comply with the requirements of the settlement reduces the sum that can be removed from the budget (Schools budgets and the need to increase in cash terms by 1.85%);
- Proposal was to increase income budgets in 2016/17 even though the income target was not being achieved in 2015/16;
- There was little possibility of implementing the savings target within the financial year and further work was required (reductions in contributions to the 3rd Sector);
- Reductions in associated grants offset any potential savings (Single Environment Grant).

- 4.3. As part of the settlement, there is a requirement to ensure that school budgets increase in cash terms by 1.85%. The standstill budget for 2016/17 was set at £40.455m which is £1.705m higher in cash terms than the 2015/16 budget and £0.988m higher than the cash increase requirement expected by the Welsh Government. The budget pressures which have been funded include the following:- Pay Increments and Pay Awards - £503k, Teachers Pension Contribution Increase - £183k, National Insurance Contributions - £691k, Increase in Pupil Numbers - £207k, Other Budget Adjustments - £121k.
- 4.4. In addition to the proposed savings, the Council also requested applications for voluntary redundancy. Of the 95 applications received, 32 were accepted and the staff will be released over the forthcoming months. The reduction in staff numbers will result in additional savings of £400k.
- 4.5. Since the completion of the initial budget proposals, the budget for the Gwynedd and Môn Partnership Unit has been finalised and Anglesey's contribution will remain at the 2015/16 level. The standstill budget for the Partnership was £80k higher than the contribution and this difference has now been incorporated into the savings package.
- 4.6. Therefore, taking into account the savings identified, the revised budget position is shown in Table 5 below:-

**Table 5
Revised Budget Position After Savings**

	£'m	£'m
Standstill Budget as at 7 March 2016		126.639
Identified Savings	(2.980)	
Gwynedd and Môn Partnership Unit	(0.080)	
Savings Achieved through Voluntary Redundancy	(0.400)	
		(3.460)
Revised Revenue Budget after Savings		123.179
Aggregate External Finance		(91.928)
Budget Requirement to be Funded by Council Tax		31.251

- 4.7. To fund the revised revenue budget of £123.179m, it would require an increase in the Council Tax of 0.73%. However, the original budget proposal was to increase the Council Tax by 4.5%. At this level, the funding available would exceed the Budget Requirement by £1.169m.

5. PRESSURES AND GROWTH

- 5.1. Setting the Council Tax increase at 4.5% would allow for some growth pressures to be funded. The two main areas of growth pressure surround Children's Services and also the Council's ability to respond to recommendations made by external regulators and consultants commissioned by the Council.
- 5.2. Included as Appendix 3 is a report prepared by the Head of Children's Services which outlines the increased demand on the service and the impact on the budget. The Executive is requested to consider the contents of the report and whether this budget pressure should be supported through increased funding in the 2016/17 budget.
- 5.3. Attached as Appendix 4 is a report prepared by the Head of Adult Services which outlines the cost pressures which the service will experience during 2016/17. The Executive is requested to consider the contents of the report and whether this budget pressure should be supported through increased funding in the 2016/17 budget.
- 5.4. The Council commissioned an external consultant to review the ICT Service. The review made a number of recommendations designed to improve the Service and the majority have been actioned without additional resources. However, in order to continue with the implementation of the action plan, the Head of Service has requested an additional £50k in order to increase and secure staffing resources. The Executive is requested to consider this request.

6. COUNCIL TAX

- 6.1. The Council's Band D Council Tax charge was £1,025.57 for 2015/16 which is the 8th lowest in Wales. More importantly is how does Anglesey's level of Council Tax compare to the other 5 North Wales authorities? The comparison is shown in Table 6 below:-

Table 6
Comparison of Council Tax Band D Charges for North Wales Authorities

Authority	Band D Charge 2015/16 £	Amount Above / Below Anglesey £	Percentage Above / Below Anglesey %
Anglesey	1,025.57		
Gwynedd	1,161.07	+ 135.50	+13.2%
Conwy	1,013.11	- 12.46	-1.2%
Denbighshire	1,142.22	+116.65	+11.4%
Flintshire	1,025.27	-0.30	0.0%
Wrexham	994.23	-31.34	-3.1%

- 6.2. The Council Tax budget for 2015/16 (after adjusting for the change in the Council Tax Base) was £31.024m. Therefore, each 1% increase generates an additional £310,000. The Executive Committee's initial proposal was to increase the Council Tax by 4.5% which would generate an additional £1.396m and give a band D charge of £1,071.72, an increase of £46.15 (£0.89 per week).
- 6.3. As stated in paragraph 4.7, the current revenue budget of £123.179m could be funded by a 0.73% increase in Council Tax. This would increase the Band D charge to £1,033.02, an annual increase of £7.45 or £0.14 per week. The impact of each 0.5% rise from 1% to the Executive's initial budget proposal of a 4.5% increase is shown in Table 7 below:-

Table 7
Impact of Varying Increases in the Level of Council Tax for 2016/17

Percentage Increase	Change in Overall Council Funding £	Surplus Above 2016/17 Revised Base Budget £	Band D Charge 2016/17 £	Increase from 2015/16 Charge £	Weekly Increase from 2015/16 Charge £
4.5%	+ 1.396m	+1.079m	1,071.72	46.15	0.89
4.0%	+ 1.241m	+0.924m	1,066.59	41.02	0.79
3.5%	+1.086m	+0.769m	1,061.46	35.89	0.69
3.0%	+0.931m	+0.613m	1,056.33	30.76	0.59
2.5%	+0.776m	+0.458m	1,051.20	25.63	0.49
2.0%	+0.620m	+0.303m	1,046.07	20.50	0.39
1.5%	+0.465m	+0.148m	1,040.94	15.37	0.30
1.0%	+0.310m	0.000m	1,035.81	10.24	0.20

- 6.4. The Minister's written statement, which was issued alongside the provisional settlement, also includes the following reference to the setting of Council Tax:-

"...For 2016-17, I expect every Authority to take account of all the available funding streams in considering service provision and setting their budgets and Council Tax. Whilst the Revenue Support Grant is the largest single source of funding for Local Authorities, it is not the only one.

In setting council tax levels for 2016-17, I urge Local Authorities to think seriously about the funding challenges they face and to balance this with a consideration of the financial burden on households. We offer considerable flexibility to Authorities in Wales which is not available to their counterparts in England...."

6.5. It should be noted that the level of Council Tax rise should reflect the Council's income requirements and the Minister's statement detailed above must also be taken into consideration. However, it should also be noted that the increase for 2016/17 sets the base position for 2017/18 and the lower base position can only be recovered through higher increases in 2017/18.

7. GENERAL AND SPECIFIC RESERVES, CONTINGENCIES AND FINANCIAL RISK

7.1. The proposed budget incorporates a number of assumptions in terms of likely levels of income and expenditure in future years. There are, therefore, inevitably a number of financial risks inherent in the proposed budget. The key financial risks are highlighted below:-

- Any projected overspend in 2015/16 has direct implications for the 2016/17 budget, both in terms of assessing the robustness of individual services' budgets and in the adequacy of the level of general reserves. A net overspend position of £470k is currently forecast for the 2015/16 budget, with some services experiencing an increased demand for services. The current budget position has been an important factor when considering final proposals in terms of both savings and contingencies;
- Savings proposals in this report amount to £3.46m and will need to be delivered in order to achieve a balanced budget for 2016/17. Allowance has been made, where appropriate, for implementation costs, but there is an element of financial risk around full delivery of all savings, with the risks varying considerably between individual proposals. Realistic part year assumptions have been made where implementation cannot be immediate, but there is an inherent financial risk around achieving changes in time to deliver this type of planned saving;
- Inflationary increases have only been applied to employee costs and any ongoing contractual commitments. A 5% increase has been applied to all non-statutory income budgets.

7.2. In terms of any contingencies and reserves, the Section 151 Officer needs to review these in their totality in conjunction with the base budget itself and the financial risks which face the Authority. In addition, the review should incorporate a medium term view where needed and should take into account key developments that may impact on the need and use of one off resources.

7.3. A robust view is being taken on managing budget risks and protecting the financial health of the Council at this time. This is particularly the case when one off funds need to be adequately protected to fund future strategic/transformational changes as opposed to funding significant overspends on the base budget itself.

7.4. Account has been taken of the need to keep the immediate reductions in spending and the resulting impact on services to a minimum, but this must be balanced against the need to ensure the medium and long term financial stability of the Council, and for savings to be implemented over the coming years in a phased and structured way. In addition, there is always some risk of unforeseen items of expenditure or overspending because of a more general pressure on a service budget, and reserves must also be adequate to absorb these pressures.

7.5. As at the 31 March 2015, the Council's General Reserves stood at £7.193m, however, the Council budget resolution in March 2015 allowed the Executive to utilise up to £500k of general balances to deal with priorities that arise during the year. It is likely that this sum will be required. As a result, the General Reserves balance is £6.693m which is equivalent to 5.32% of the 2015/16 net revenue budget, 7.4% if the delegated schools budget is excluded. The level of general reserves held is a matter for the Council to decide, however, as a general rule of thumb the level of reserves should be at least 5% of the annual revenue budget (excluding delegated schools budgets). Based on the 2015/16 revenue budget, this would require a level of general reserves of £4.5m.

- 7.6. In times of financial austerity, budgets are reduced and do not have the capacity to deal with increases in demands particularly in those services which have less control over demand e.g. Social Services. There is, therefore, an argument that the need for general reserves is greater because the risk of budget overspending increases and the Council will require a greater level of financial resources to minimise the risk.
- 7.7. In my professional opinion, reducing the level of general reserve to £4.5m would be an unacceptable risk at this point given the ongoing uncertainty over future funding but there is scope to reduce the level of general reserves. However, I am not recommending that reserves should be used as a means of making up a budget shortfall in a particular year, this would merely postpone the need to make budget cuts to the next financial year.
- 7.8. There is, however, scope to use a level of the reserves to provide I.T. support for business process transformation. Further work will be required to determine the level of funding required and each individual business case would have to show that the project delivers future cashable savings. A sum of £1 million could be released from general balances whilst still maintaining a prudent level of general balances.
- 7.9. A full report on General and Earmarked Reserves is included as a separate item on the Committee Agenda.
- 7.10. The budget includes £1.831m as earmarked and general contingencies. The items to be funded from these contingencies include improvements to IT systems, potential future redundancy costs, costs relating to the continued operation of Haulfre Residential Home and additional fixed term posts required to support the Change Programme. In addition, a sum of £310k has been allocated as a general contingency which will be used to meet any unforeseen costs which arise during the year.

8. ROBUSTNESS OF ESTIMATES

- 8.1. Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of budget estimates and the adequacy of the proposed financial reserves.
- 8.2. Budget estimates are based on assumptions of future expenditure and income and contain an element of assumption risk. The impact of this risk can be mitigated through contingency plans, contingency budgets and financial reserves.
- 8.3. The robustness of budget estimates is not simply a question of whether they are correctly calculated. In practice, many budgets are based on estimates or forecasts, and there may be an element of risk as to whether plans will be delivered, or targets achieved. Different risks to the budget are considered in turn below:-
- **Inflation Risk** – This is the risk that actual inflation could turn out to be significantly different to the assumption made in the budget. For 2016/17, inflation has only been allowed for pay awards (1%) and any contractual agreements which require an inflationary uplift. The current level of inflation is low, at just above 0% and is not expected to rise significantly over the period to which the budget relates and, as a result, the risk of inaccuracies in the inflation assumptions is low;
 - **Interest Rate Risk** - Interest rates affect a single year's revenue budget through the interest earned - i.e. an interest rate rise is beneficial. The Authority's Treasury Management Strategy requires investments to be made on the grounds of security and liquidity of the investment as the first consideration with investment returns being a lower priority, therefore, the budget is not reliant on high investment returns. Interest rates continue at a historical low and are not likely to begin increasing until 2017. Therefore, the interest rate risk is considered low and, as in previous years, this is a compensating risk for inflation risk because if one increases the other is likely to increase also;

- **Grants Risk** - These are risks attached to the large number of specific grants from WG, Europe or other bodies which support a good proportion of Council Spending. Some of these may be reduced substantially or cut altogether; we do not have a complete picture of all these and we will not even have one as the financial year begins. While the immediate response is to say that when the grant ceases, so must the associated expenditure, there is a risk that this may not always be possible. It may not be possible when contract terms mean the expenditure cannot be cut as quickly as the income, or involves unfunded severance costs. It may not be possible if the activity funded turns out to be so important to the delivery of the Council's own Priorities that the Council decided it must continue the expenditure. Efforts to mitigate this risk are to ensure we have the best information available on each grant: but significant changes during the year cannot be entirely ruled out;
- **Income Risks** – The budget is based on securing an overall 5% increase in fees, and a number of services have assumed rises up to 5%. If the elasticity of demand for Council Services is such that volume falls, and income targets are not achieved, that may cause overspending on net budgets. This will require close monitoring of the net budget position and, if necessary, cutting back on spending to match reduced income;
- **Optimum Risk** – Probably the greatest risk in current circumstances is that the Authority, Members and Officers, have been over-optimistic in the savings that will be achieved. If these projects should run into difficulties and fail to achieve the savings taken out of the budget, significant overspendings could occur;
- **Over-caution Risk** – This is the opposite of optimum risk: the danger that our budgets have been drawn up with too much caution, and so are more than is required;
- **Savings Risks** – The revenue budget includes £3.35m of revenue savings and although each proposal has been assessed and the saving sum adjusted to take account of the proposed implementation date, there is a risk that not all proposals will achieve the planned date. This is particularly the case for the proposals that involve significant service transformation, staff redundancies, income generation or changes to existing contracts. Any delay from the planned start date will cause pressure on the revenue budget;
- **Salary and Grading Risks** – The job evaluation process came to an end during 2015/16 and all staffing budgets are based on the new pay grades. Some applications for a reassessment of the grades have been submitted but any increased costs will be funded from existing service budgets, thus minimising the risk to the 2016/17 budget;
- **Staff Redundancy Costs** – The budget proposal includes £400k of savings arising from voluntary redundancies. Following the release of some staff, reorganisations will be required within services, these processes may be subject to delays or may not release the anticipated savings. In addition, some proposals may require additional redundancies. To mitigate the risk, a salary and grading contingency of £500k has been included in the budget.

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

9. SCRUTINY COMMITTEE

9.1. As stated in paragraph 4.7, the total of AEF and Council Tax at a level of 4.5% exceeds the standstill budget by £1.169m. This information was presented to the Scrutiny Committee for consideration at its meeting on 1 February 2016. The Committee was asked to consider the following questions:-

- Whether the savings identified as achievable in 2016/17 are maximised bearing in mind that by maximising savings it allows the Council greater flexibility to respond to service pressures and future savings requirements;

- Whether Members support a recommendation, to be considered by the Executive Committee, that a sum is allocated from general reserves to fund business process changes designed to release further efficiency savings which can be used to respond to service improvements / pressures;
- The level of Council Tax moving forward bearing in mind the matters noted in this report, the contribution that Council Tax makes to the overall revenue of the Council and the financial pressures likely to be faced by the Council from 2017/18 onwards;
- The level of protection afforded to schools' budgets bearing in mind the need for schools to contribute to the overall savings required by the Council;
- If a final decision is taken by the Executive to implement efficiency savings to the Schools' budget, Members are asked to comment on whether the levels of reserves in the primary sector should influence the decision as to how the savings are allocated across the sectors.

9.2. The response of the Scrutiny Committee is included as a separate report on this Committee's agenda.

10. PROPOSED BUDGET AND COUNCIL TAX LEVEL

10.1. Having considered the funding available and the increase in the AEF since the initial budget proposals were drawn up, having considered the results of the consultation process and the response of the Scrutiny Committee and taking into account subsequent decisions of the Executive, that the final budget proposal incorporates the following changes from the initial budget proposal:-

1. That the standstill budget for 2016/17 is set at £126.639m.
2. That efficiency savings of £3.46m are implemented to include savings generated through voluntary redundancies and a reduction of £0.988m in the school's delegated budget.
3. That £400k of central education funding is used to lessen the impact of the reduction in the school's budget for 2016/17 and allow schools time to reduce costs through better procurement and by reviewing non teaching costs. This reduces the proposed saving on the School's budget to £600k and reduces the overall savings package to £3.06m. In addition, £100k of the non delegated element of the school's budget is transferred back into the delegated budget and allocated to schools through the funding formula, thus reducing the impact on schools by a further £100k in 2016/17.
4. That the budget for Children's Services is increased by £500k to reflect the increasing demands on the service.
5. That the budget for Adult Services is increased by £100k to reflect rising cost pressures within the service and that a further £200k be held as a contingency to fund the loss of respite care income should the proposed change in the charging policy be implemented.
6. That the budget for IT Services is increased by £50k in order that they can fulfill the action plan arising from the external review.
7. That the Council Tax for 2016/17 is increased by 3.5%.
8. That the remaining balance of £8,562 is added to the general contingency.
9. That a sum of £1.0 million is allocated from general reserves to fund the cost of business process transformation. Each individual bid would be assessed on the basis of the future savings it provides or the improvement to service delivery resulting from the investment.

10.2. Table 8 below shows the available and required budget funding after taking into account the proposals set out in the initial budget proposals and the subsequent amendments set out in paragraph 10.1 above.

**Table 8
Proposed Budget Requirement and Funding 2016/17**

Budget Requirement	£'m
Final Budget 2015/16	124.646
Inflation and Re-Pricing Adjustments	1.993
Base Budget 2015/16 (before Investments / Savings)	126.639
Budget Savings	(3.060)
Investment in Service Pressures	0.650
Increase in Contingency Budgets	0.208
Use of Reserves	0.400
Base Budget 2016/17	124.037
Final AEF	91.928
Council Tax with increase of 3.5%	32.109
Total Funding	124.037

10.3. The increase of 3.5% represents an increase of £35.89 per annum or £0.69 per week on a Band D Property.

10.4. A full breakdown of the proposed budget by Service is attached as Appendix 5.

11. EQUALITIES IMPACT ASSESSMENT

11.1. In delivering its services, the Council has to be mindful of its duties under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 to assess the impact of key financial decisions on protected groups and have due regard to the result of such assessments.

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

12. UPDATING THE MEDIUM TERM FINANCIAL STRATEGY

12.1. The initial budget proposals presented to the Executive on 16 November 2015 were based on the Medium Term Financial Strategy approved by the Executive in February 2015 (see Table 1).

12.2. The significant difference between the settlement that was anticipated in the November 2015 and the outcome of the provisional settlement has had a significant impact on the Medium Term Financial Strategy. This situation is not unique to Anglesey and the majority of Councils in Wales had planned for a larger cut in the AEF than actually happened. The lack of certainty over future settlements brought about by the Assembly elections in May and the uncertainty over the overall economic position for the UK makes the completion of a Medium Term Financial Strategy with any degree of certainty and accuracy very difficult.

12.3. The WLGA has undertaken some work on the likely future settlements for local government in Wales based on their analysis of the information contained in the Autumn Spending Review and the Welsh Government's budget for 2016/17. Much is dependent on the level of protection which the future Welsh Government will give to other areas of spending compared to local government. Their analysis shows a range of possibilities from a 3.2% growth in the AEF over 3 years if local government budgets are protected to a 7.5% cut over the same period if other areas are strongly protected.

12.4. Table 9 below gives an indication of the likely savings requirement if it is assumed that net expenditure grows by 2% per annum, that the Council Tax rises by 4% per annum and that the AEF is reduced by 2% in 2017/18, 2.6% in 2018/19 and 2.7% in 2019/20.

Table 9
Potential Savings Requirement 2017/18 – 2019/20

	2017/18 £'m	2018/19 £'m	2019/20 £'m
Net Revenue Budget B/F	124.3	123.7	122.7
Less funded by reserves in previous year	(0.4)	0.0	0.0
Budget Pressures & Inflation	2.5	2.5	2.5
Revised Budget	126.4	126.2	125.2
Aggregate External Finance (AEF)	(90.0)	(87.7)	(85.3)
Council Tax	(33.7)	(35.0)	(36.4)
Total Funding	123.7	122.7	121.7
Savings Required	2.7	3.5	3.5

12.5. An update on the Medium Term Financial Strategy will be presented to the Executive as information on future settlements becomes clearer.

13. RECOMMENDATIONS

The Executive is recommended to approve the final budget proposal as set out in Paragraph 10 to the full Council meeting on 10 March 2016.

Response to the Executive's Initial Budget Proposals – Meeting the Challenge 2016

ISLE OF ANGLESEY COUNTY COUNCIL / CYNGOR SIR YNYS MÔN

January 2016

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1. Introduction

1.1. The Council recently consulted on the Executive's initial budget proposals – 'Meeting the Challenge' between the 16th November and the 31st December, 2015. This 7 week consultation period focused on in excess of 80 savings proposals put forward by services and challenged by members. They were split into 6 efficiency themes as outlined in the Council's 2014-2017 Efficiency Strategy which were:

- Ensuring the way we work provides good value for money
 - Reducing the cost of Management, Democracy and Bureaucracy
 - Transforming services we're legally bound to deliver; ensuring that they're modern, effective and efficient
 - Work with others to save money and getting the best out of our staff
 - Increase Income to the Council
- Challenge whether we should provide non-essential and non-statutory services where others also provide them or where others could provide them

1.2. Options considered a vast variety of savings and the internal challenge process resulted in proposals ranging from allocating advertising spaces on bins for local businesses to transporting waste to St Helens / Runcorn for recycling as opposed to sending to landfill in Llanddulas. These proposals were marketed in a variety of ways; from the traditional local press articles, to the promotion on the home page of the Council's website to a stream of tweets and posts via social media and e-mail. All were aimed at informing and enthusing citizens and staff to engage and respond to the initial proposals.

1.3. Citizens, partners and staff were thereafter asked to respond to the consultation by various means including:

- Two Online surveys on our website
- Survey for all
- Survey specifically for young people (see below)
- Emailing or writing in to us
- Attending one of the 13 drop in sessions with the Council Leader

Suggestion boxes for staff located at our reception areas

1.4. In addition to the above, the council also undertook

- 7 focus group sessions for the under 25s in all secondary schools, young farmers forum and homeless accommodation
- An online survey designed in partnership with Llais Ni for the under 25s
- A session held at the Council for a number of Partnerships organisations such as Police, Fire & Rescue, Health, Town and Community Councils, 3rd sector organisations and other representative bodies
- A session held with Anglesey Community Voice at Gwelfor Community Centre with the 65+

2.4.1. Waste Bin Collections and Bulky Waste Collections

The majority of the responses were against the changes to fortnightly bin collections. However, if needed to change the inference could be made that many would be more content with a 3 week collection period as opposed to 4. Complaints seem to focus on the fact that bins were full after 2 weeks which means additional recycling requirements would be needed to mitigate such a change and the concern that the removal of free bulky waste collection will result in fly tipping and an additional cost to the council because of this.

The responses below can summarise the general feelings towards the proposed cuts:

“Please don’t cut bin collections beyond the existing fortnightly bin collection. The main problem is not that my bin is necessarily full every fortnight, but that if I miss a collection due to being on holiday or whatever, the actual collection interval is double the stated interval. So I could end up going 8 weeks without a bin collection, which is clearly unacceptable”

“A 3 weekly black bin collection would be OK providing families with nappies (young children under the age of 4) are provided for...However a 4 week or smaller bin would not be ok (even with additional bins) for us...I would also propose a 4 week collection of green bins during the winter as most of the fill is bio-degradable and can wait a few more weeks.”

“With respect to the proposals for waste collections every 3 or possibly 4 weeks and possible reduction in the size of waste bins...I protest in the strongest possible terms that this simplified approach is not acceptable and that it has been very poorly thought out as a ‘knee-jerk’ reaction to improving waste targets and saving money...May I suggest that you consider looking at households themselves, the number of people at a given address, their ages and circumstances etc.”

“If we must change bin collections, we should change to every 3 weeks not every 4 weeks”

“I would be supportive of 3 weekly collections provided that we had larger recycling boxes...The council should stop green bin collections from 1st November/December to the end of February.”

“No to changing to 3 or 4 weekly bin collections. I have a big family and we run out of space for our rubbish even with 2 week bin collections”

“I understand that Anglesey are the only council to offer a free bulky waste system, and I feel like we should stay that way. I know there is a long waiting list, but if you educate people so that they know that we are fortunate to have this free service then they may be more understanding when it comes to waiting times.”

“We feel that free collection of bulky waste items should continue in order to avoid a significant increase in fly tipping, which itself would have associated costs”

There was an unanimous vote in the Anglesey Community Voice consultation event against a 4 weekly collection but with reservations on a 3 weekly collection. Some were concerned about those households that do not recycle and also those with large families and full bins after 2 weeks.

2.4.2. Car Parks Income

Negative comments relating to increased car parking fees were received with a number stating that the fees will drive people away from town shopping or affect tourism.

The responses below can summarise the general feelings towards the proposed cuts:

“You get more people using them if you reduced the cost – more people will use it for 30p/hour. Many people, myself included will not pay for car parks. I own a shop in Holyhead, the amount of complaints we hear about the price to park. More likely to entice visitors into towns by making it cheaper.”

“I completely disagree with car park charges, they are the reason our towns and high streets are so empty with businesses struggling to stay open. Why would somebody pay to park when they can go to a superstore and park for free?”

“Increasing car park charges is counterproductive in many areas, as it puts people off shopping in their local high street... and encourages people to park on the roads instead, causing additional congestion.”
All 46 attendees at Anglesey Community Voice consultation event were not in favour to increase parking fees.

2.4.3. Leisure Centre Café

Of the comments received, the majority either questioned the need for a café or stated that they do not currently sell healthy food.

The responses below can summarise the general feelings towards the proposed cuts:

“I wish that you consider going further than reviewing the menus and staffing hours. Is there a need to have a café in a Leisure Centre?”

“These certainly should not be subsidised by the council. Leisure centres are in towns where there are other food retailers so the cafes are not performing a vital service. They could be offered to private companies to run at no cost to the council.”

“There is no fruit or healthy options at the cafes, need more variety”

“Believe that the food is too expensive, especially for young people”

2.4.4. AONB Posts

There has been support for keeping the AONB funding in place with many stating the good work they do with volunteers in keeping the AONB clean and useable.

The responses below can summarise the general feelings towards the proposed cuts:

“...we believe that the consequences of losing these posts will greatly outweigh the savings. The proposal underestimates the importance of the AONB to island and ignores the valuable contribution of volunteers to its maintenance”

“The AONB Officers currently run the Youth Rangers programme. My daughter has been involved in this for the last year...It has given her the chance to carry out a number of outdoor activities and interact with other teenagers, gaining considerable life skills”

“Reduction in the AONB workforce and loss of the volunteers would impact very significantly on a number of activities across the island, including footpath and maintenance work...gorse management...dry stone walling...habitat restoration...and beach cleaning”

“Their work is invaluable in helping to preserve the beauty of the coastal AONB and also encourages public access and tourism to some of the islands’ major attractions”

2.4.5. Cuts to Education Budget

This was seen as an important area of discussion in the Council Leader Drop-in Sessions as individuals felt that the education budget should be protected or there would be a knock on effect on attainment levels. This was also replicated in the cross-sector meeting where there was a request that if such reduction occurred, then it was asked whether it could be planned and structured over a number of years.

However, only a few comments against the cuts were received from the surveys and other sessions:

“Continue to protect the Education budget. This is the most important function and is essential for the future of all Ynys Mon.”

“Education budget should be ring-fenced and not touched in any way – the education of our kids is so important for the future of this island and schools struggle as it is.”

“£1m cut in schools’ delegated budget is a significant amount particularly given the continuing cuts in external funding which contributes to school funding. For 2016/17 I would reduce delegated budgets to those schools with significant balances >£150k.”

“Concern that cuts could affect children’s education standards and attainment and need to be aware of past weaknesses and how far the council have come since Estyn intervention – and be aware that we don’t want to go back to that situation”

2.4.6. Grant funding cuts

There has been a mixed response to the proposals to cut the various grants from the budget. Many comments agree with the cuts but there have been numerous letters in support of keeping the grants also.

Some of the comments include:

“We have had our grant cut consistently over the last few years and have had to fund raise constantly to keep our group open. The amount of the grant is directly relative to the quality of Foundation Phase education provided to the children in our care...Each time the grant is reduced, items have to be cut from the budget...there isn't really anything else we can do without.” Benllech Playgroup

“We believe that the Bureau can work with the Council to achieve efficiencies but we are concerned that direct cuts to core funding will reduce our capacity to manage the volunteers and to lever in specific grant funding...we are keen to contribute to the design of a future service model (however) we are concerned that cuts being proposed here may duplicate here may duplicate any cuts to core funding and weaken our ability to provide the quality service that we do across the island” Chair of Ynys Môn Citizens Advice

“I am aware that funding for the next financial year is likely to be reduced and that Anglesey County Council will understandably, be looking to make financial savings. I would like to ensure that you are aware of the important role North Wales Deaf Association play in contributing to the independence, protection, safety, confidence and ability to successfully carry out everyday tasks that otherwise would become impossible for many people with a sensory loss...I would strongly wish you to consider this beneficial partnership be continued in 2016 for the foreseeable future.” In excess of 30 supporters of North Wales Deaf Association

“Arts and education grants – shame, but understandable – support should be given to these to help them find income elsewhere”

“It is important to protect the Museum and Culture budget – these are important in terms of promoting a mentally-healthy society which takes an interest in history and culture...it may be reasonable to ask that any grant to voluntary organisations is matched 50/50 by the organisation from its own funds, to ensure that organisations have genuine support from the community”

“I agree with reducing grants to third sector organisations, however I disagree with a blanket cut for all third sector services as this places them at a competitive disadvantage for competing with the private sector.”

2.4.7. Reduction in Management and Administration

Whilst the majority of comments agree with the need to cut management and administration roles and some asking for more cuts, it was clear that the under 25s felt concerned about job losses.

Some of the comments include:

“Disagree (with the cuts) the service won't be as effective”

“People will struggle to find jobs and become jobless”

“Will you find alternative work for people losing jobs?”

“Some services within the council have managers who only manage / are responsible for one or two staff. Savings could be made by having the Head of Service and one manager over more staff”

“Streamline middle management – units of less than 5 members should not require high cost managerial oversight as well as a head of service. There is too much duplication of managers across the authority with some sections compromising of one or two members of staff headed by a manager where perhaps what is required is simple supervision.”

“The council should look at reducing managerial roles which manage up to three people. These should be supervisory roles”

2.4.8. Future provision of In-House Care Homes

Whilst the majority of the feedback from both the sessions and online responses didn't discuss this issue in great detail, the session held with Anglesey Community Voice believed that this was an issue for them.

Some of the concerns are listed below:

There is a need for further information about the support available for people in their own homes, both tenants and home owners

Any decisions with regards to this need to be consulted upon with us

To help with independent living there is a need to modernise some council accommodation

There is not enough respite care for full time carers

What's happening with Garreglwyd and what happens if it closes?

Standard of care and build quality of Council run homes is better than private homes

People would like something similar to Penucheldre in rural locations

SERVICE	PROPOSED SAVINGS	TOTAL PROPOSED SAVINGS £000	
Adults	Electronic Homecare Management System	7	
Adults	Reducing Number of management Roles	48	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
Adults	Reducing Administrative Roles	22	
Adults	Reducing Provider Unit Management Roles	38	
Adults	Review contracts for externally commissioned Day Services for Supported Learning Disability Clients	28	A review of the capacity in each day centre is to be undertaken to consider options to rationalise services This may not necessarily require a reduction in services - but may involve less services being available per day.
Adults	Re-tender supported living projects	42	There will be no substantive change to provision although new providers may be put in place.
Adults	In-house Day Care Services - Review and Rationalisation	26	There will be a need for an equalities impact assessment
Adults	Restructure management arrangements for Community Support Services	43	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
Adults	Outsourcing In-house Supported Living	31	An equalities Impact assessment will need to be done.
Adults	Voluntary Sector Payments	30	An equalities Impact assessment will need to be done.
Adults	HRA Funding for Occupational Therapist	20	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
	Total Adult Services	335	

HOUSING			
Housing	Rural Housing Enabler Service	4	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
Housing	Business Support - HRA allocation of staffing costs	20	
Housing	Welfare Reform inclusive of CAB and J E O'Toole	37	
Housing	Môn Communities First - Recharge Head of Service Time	2	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
Housing	Empty Homes - Charging for Sale	11	
Total Housing Services		74	
CHILDREN			
Children	End Quality Assurance Role	53	
Children	Delete Admin Assistant Post from the structure	13	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
Children	Support Services Manager's Post	32	
Children	Reduce Fostering Panel Budget	16	
Children	Paperless Fostering Panel	2	
Children	Cut contribution to Cynefin - Children's worker post	13	
Children	Reduce Baseline budget by 10%	9	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
Children	Reduction in Youth Justice budget	5	
Total Children Services		143	

	EDUCATION		
Education	Dyslexia	20	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
Education	Arts and Education Grants	41	
Education	Discretionary School Uniforms Grant	19	
Education	Performance Management - now done regionally	24	
Education	Increase School Meals Budget - Ysgol y Bont	9	
Education	Youth Clubs - remove underspent budget	15	This proposal is unlikely to affect any group disproportionately.
Education	Pre School Assessment Staff - funded from Education Improvement Grant	37	An Equalities Impact Assessment will need to be carried out.
Education	Youth Service Additional Activities - remove underspent budget	5	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
Education	Increase school meal prices by 10p per day	17	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
Education	Reduce early years bursary to Mudiad Ysgolion Meithrin and WPPA	26	An Equalities Impact Assessment will need to be carried out.
Education	Appetite for Life - budget no longer required	51	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
	National Childcare Strategy - historical underspend	15	
Education	Reduce the delegated schools budget	988	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups.
	Total Education Services	1,267	

	CULTURE		
Culture	Remove vacant post - Oriel Ynys Môn	31	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
Culture	Library Management System - regional collaboration	10	
	Total Culture Service	41	
	LEISURE		
Leisure	Beaumaris Leisure Centre - remove subsidy	20	Consultation Period has already taken place.
Leisure	Increase café income at Llangefni and Holyhead	28	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
Leisure	Swimming Lessons Income	55	
	Total Leisure Services	103	
	ECONOMIC & MARITIME		
Econ & Maritime	Beach Warden - Contribution from Llanfaelog CC	1	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
	Restructure Maritime Team	10	
	Marketing - cut subsidy to Visit Anglesey	25	
	Summer Events - Stop grant now events established	6	
	Tourist Information - reduce costs of TI points	2	
	Total Economic & Maritime	44	

	HIGHWAYS		
Highways	Bus Tendering	60	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
Highways	School Crossing Patrols	10	
Highways	Reduce unspent Môn Transport Budget	20	
Highways	Start charging car park fees at 5 new car parks	40	
Highways	LED Lanterns – reduced energy costs	100	
Highways	Reduce Minor Traffic Works Budget	10	
Highways	Capitalise maintenance works budget	200	
Highways	Winter Maintenance – Gritting	50	
	Total Highways	490	
	PROPERTY		
Property	Cleaning contract	50	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
Property	Smallholding Income – stop ring fencing for repairs	35	
	Total Property	85	
	WASTE		
Waste	Transfer Beaumaris PC to TC – septic tank at Porth Swtan	14	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
Waste	Advertisements on bins	10	
Waste	Waste Collection	41	
Waste	Stop free bulky collection	90	
	Total Waste Services	155	

PUBLIC PROTECTION			
Public Protection	Increased income pest control	13	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
Public Protection	Staffing Restructure	20	
Public Protection	Income from Marriage Ceremonies	6	
Public Protection	Income from Housing Inspections FRA	1	
Public Protection	Income for charging for noise nuisance complaints	1	
Public Protection	Income from H & S consultancy	2	
Public Protection	Increased income from Street Trading	11	
Public Protection	FSA to fund Animal Feed Hygiene Inspections	13	
Total Public Protection		67	
PLANNING			
Planning	Reduce staffing Coed Cymru	18	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
Planning	AONB	11	
Planning	Increase Planning Fee Income Budget	15	
Total Planning Services		44	
COUNCIL BUSINESS			
Council Business	Removal of Unison Post	26	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
Council Business	Research – reduce scrutiny budget	5	
Council Business	Reduce law books and periodicals budget	25	
Total Council Business		56	

TRANSFORMATION			
Transformation	End Ty William, Lease	4	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
Total Transformation		4	
RESOURCES			
Resources	Reduce staffing budgets	52	The proposed financial saving will not unlawfully discriminate, impact adversely on protected groups, compromise equality of opportunity or negatively affect relations between different groups.
	Reduce car allowance budget	3	
	Reduce office repairs budget	1	
	Reduce external consultants budget	10	
	Reduce interview expenses budget	2	
	Reduce general expenses budget	4	
Total Resources		72	
TOTAL PROPOSED SAVINGS		2,980	

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Executive Committee
Date:	1 March 2016
Subject:	Children Services – Meeting Increased Demands
Portfolio Holder(s):	Aled Morris Jones
Head of Service:	Anwen Huws
Report Author:	Anwen Huws
Tel:	01248751811
E-mail:	anwenmhughes@ynysmon.gov.uk
Local Members:	Not applicable

A –Recommendation/s and Reason/s

It is recommended that the Executive Committee:

- A. Approve the proposed investments to mitigate risks associated with increased demands and workforce matters facing the Children Services:-

	Cost 16/17	Cost 17/18 assuming 1%
Maintain Current Management Capacity	Reduce of £78k saving proposal for 2016/17 by £25k	
Increase the social work capacity	£120,810	£122,018
Increase Independent charring capacity	£51,284	£51,797
Lead Practitioner Court Management	£53,810.	

- B. Approve that the increased costs of placements for Looked After Children be addressed in the setting of the 206/17 Council budget. A no growth projection for 2016/17 on the same budget lines is a cost of £2,496,716 against a budget of £2,301,390. We are working with the finance service to analyse and project these costs going forward based on likely rate of increase.
- C. Approve that the new costs of the When I am Ready Scheme be addressed in the setting of the 206/17 Council budget. Additional costs of up to £133k over the next three years.
- D. Note that a number of business cases will be presented in due time:-

Increase Legal Capacity to Children Services	Consider the Business Case to increase legal capacity and whether this would lead to a reduction in use of counsel for cases – which would finance the cost of the legal capacity temporarily.
Social Worker (Temporary) – for two years Fostering Team	Consider whether added investment to the current Invest to Save initiative would increase the range of placements for looked after children and result in savings as well as cost avoidance.
Improving family support services	Consider the business case to establish an edge of care/crisis support service to underpin our approach to supporting family resilience, avoiding escalation and LAC reduction strategy. A <i>Detailed Business Case</i> will be required to ensure that this will result in savings as well as cost avoidance.

Reason/s

Children Service statutory fieldwork is an area of inherent risk and complex case work. When combined with workforce challenges the risks increase. We are faced with significant challenges because of financial austerity, increased demand, capacity and effectiveness and complexity of pathways for families seeking help.

Workforce - *Securing a sufficient and stable workforce, who is supervised, managed and supported to carry out their work effectively.* There is a need to increase the social work capacity within the operational service in order to respond to the increasing demands and ensure that individual workloads are managed, enabling workers to spend more quality time with families who are working to make changes so that the family is a safe place for their children. ***My recommendation is that we appoint 3 additional social workers to bring the average workload down to 19 cases.*** During 2016/17 a further analysis of caseloads and service demands will be undertaken to inform the development of a Caseload Management Framework and service restructure.

Aligned to an increase in the workforce there is a need to have in place the capacity, experience, knowledge and appropriate skills mix to meet the national and local expectations placed upon the Local Authority and deliver a high quality service that improves outcomes for children and families on Anglesey. This requires opportunities for staff to pursue professional development activities in order to develop their knowledge and skills. This will be achieved through the Social Services Workforce Development Plan and in house coaching/mentoring: thus accelerating the development of workers and managers' knowledge, skills and competence.

The optimum position would be being able to recruit qualified and experienced staff. The reality is that it is more difficult to attract candidates with the right experiences. In the short term it is necessary to continue with the agency staff, whilst permanent and substantive appointments are made, and to provide a mix of skills in our teams that combines practical experience with the enthusiasm and creativity of newly qualified social workers.

Quality and Accountability

The importance of embedding a robust Quality Assurance Framework into practice cannot be over emphasised because it provides a mechanism through which good practice and safe decision making is ensured at operational level. All managers have a key role in achieving this, and Service Managers in particular hold a senior management responsibility for "quality control". The Local Authority is consulting on a reduction to management capacity within its children services during the current budget proposals. Given the range of statutory responsibilities invested in the service, the changes to be implemented by the new Act and the lack of experience within the first line manager group, it is difficult to see how this can be achieved without effective middle management capacity.

A key element of ensuring safe decision making at operational level lies with the Safeguarding Unit. There is a need to increase the capacity for Charing Case Conferences and Statutory Reviews due to the significant increase in the number of looked after children and the number of children on the Child Protection Register. Not only does this affect performance, but failure to review cases thoroughly is bound to lead to delays, drift and inefficient use of resources. ***My recommendation is that we appoint one additional Independent Reviewing and Safeguarding Officer for a period of 2 years.***

Improved practice and decision making within the Public Law Outline

For some children timely action is needed to remove the children through court processes and find a permanent placement for them with a family. The introduction of the Public Law Outline has meant significant pressure in the context of an increase in the number of applications. Once again a key aspect of achieving this is securing a stable workforce who are supervised, managed and supported to carry out their work effectively within the Public Law Outline. ***My recommendation is that we appoint a Lead Practitioner to provide training / mentoring / motivation to practitioners in their development as experts in dealing with cases in court.*** The primary purpose of this role would be to track cases within the Public Law Outline, work with practitioners to ensure that the work is completed on time and up to standard, provide a skills development programme, and provide regular performance and quality reports to the Service Management Team.

This increase in demand and expectations is shared with the legal service: and there is a need to consider the case for increasing the legal capacity to ensure that Children Services have access to the legal service it requires in terms of a whole range of matters. Arguably this should lead to a reduction in use of counsel for cases – which would finance the cost of the legal capacity temporarily.

Looked After Children

Members have been informed that the number and cost of placements for Looked after Children are increasing, which is leading to an anticipated overspend by the year end on the Children Services budget. Based on a 13.01.16 baseline the projected cost of non standard and out of county placements for 2015/16 is £2,836,490 against the budget of £ 2,301,390. A no growth projection for 2016/17 on the same budget lines is a cost of £2,496,716 against a budget of £2,301,390. We are working with the finance service to analyse and project these costs going forward based on likely rate of increase.

Sustainability going forward demands an increase in the range of placements for looked after children. The Foster Carers Recruitment and Retention Strategy has been beneficial and cost avoidance has been achieved. However in the context of an increase in the looked after numbers, there is a need to recruit a greater number of foster carers. My recommendation is that we appoint a Social Worker – for two years –to deliver on an increased recruitment target. A Detailed Business Case will be required to ensure that this will result in savings as well as avoiding expenditure on agency placements.

The Local Authority will be expected to provide a new service called “When I am ready” from April 2016 onwards. It is estimated that there will be additional costs of up to £133k over the next three years.

If we are to reduce the rate at which children become looked after we should look to improve the family support services targeted, in particular, to provide quick and intensive support when the family breaks down, with the aim of keeping the family together. The service currently spends about £350k on its support services. It has already been noted that efficiency savings could be secured by streamlining the management of both services. However, the service model must be transformed. We would need to establish a Family Support Service that works from 7am to 10pm which would include Family Intervention Experts and Support Workers: enabling us to respond through intervention programmes that are tailored around the family but which would have the clear aim of reducing need, promoting independence and safety. A Detailed Business Case will be required to ensure that this will result in savings as well as cost avoidance.

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

Members may wish to consider a Do Nothing option, and continue to try to meet the increased demand within existing resources. That would affect the local authority’s ability to carry out its statutory functions and would ultimately mean that the services are not provided. The risks associated with the Do Nothing Option are significant:-

- Unable to meet our statutory duties, key objective and targets
- Interventions to safeguard and promote children’s welfare is compromised
- Achievement of good outcomes for children is compromised
- Risk of external intervention
- Inefficient use of resources.
- Reputation damaged
- Workforce - Low staff morale: Sickness levels: Staff Turnover

The proposals and investments outlined in this report carry financial implications; it is in my opinion the most effective solution. Adopting the proposal will enable the Local Authority to be better placed to:-

- Meet its statutory duties, key objective and targets
- Achieve good outcomes for children through managed caseload, and practitioners supported to spend quality time with families.
- Implement a coherent workforce strategy
- Improve the Quality of decision-making and accountability
- Provide a range of placements for LAC
- Driving work on the Quality Assurance Framework, prioritising actions needed to improve the service delivered

C – Why is this a decision for the Executive?

The recommendations proposed require additional finance to implement.

As per the Constitution, it is deemed mandatory that such requirements are addressed to the Executive for decision under both:-

4.8 Financial Procedure Rules for any virement/overspend identified or required for period 2015/16; and

4.3 for Budget and Policy Framework Procedure Rules for the setting and declaration period 2016/17.

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

Yes

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

Financial year 2015/16 – No

Implementation of the recommendations would require additional funds not currently within the service budget. The Section 151 officer is aware of the additional funding required and has included these in his budget report under 'budget pressures'. The HoS Children's report is included within said document as an appendix.

E – Who did you consult?

What did they say?

	Who did you consult?	What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	The SLT support the report
2	Finance / Section 151 (mandatory)	As point 1 above
3	Legal / Monitoring Officer (mandatory)	As point 1 above
5	Human Resources (HR)	
6	Property (Head of Planning and Public Protection)	
7	Information Communication Technology (ICT)	
8	Scrutiny	
9	Local Members	
10	Any external bodies / other/s	

F – Risks and any mitigation (if relevant)

1	Economic	None
2	Anti-poverty	None
3	Crime and Disorder	None
4	Environmental	None
5	Equalities	None
6	Outcome Agreements	Isle of Anglesey County Council's Outcome Agreement 2013/16 : Broad Outcome: Providing users and carers with a stronger voice and greater control over the services they receive
7	Other	

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

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Executive Committee
Date:	1 March 2016
Subject:	Adult Social Care Pressure Areas
Portfolio Holder(s):	Councillor Aled Morris Jones
Head of Service:	Alwyn Rhys Jones, Head of Adult Services
Report Author:	Alwyn Jones, Head of Adult Services
Tel:	Ext. 2707
E-mail:	AlwynJones3@ynysmon.gov.uk
Local Members:	Various
A –Recommendation/s and reason/s	
<p>The Executive Committee are asked to :-</p> <ol style="list-style-type: none"> 1. Acknowledge the cost pressures faced by Adult Social Care in 2016/17; 2. Support the proposed steps to be taken to mitigate these in 2016/17. <p>Pressure for the department in 2016/17 are as follows:-</p> <p>Legislative</p> <p>The Social Service & Wellbeing Act for Wales which comes into force on the 1st of April 2016. As a result of changes to be implemented in charging structures within the act in the future when an individual requires a short stay in a care home, the person must be charged as if they are receiving non-residential care. As such the maximum a person can be charged is £60 per week. No additional charge can be applied for hotel type costs. The estimated cost pressure from this change is £297,000.</p> <p>In order to manage and reduce the impact of the change the department seeks permission to review historic charging arrangements which have impacted negatively on the level of income received from those in receipt of benefits. At present the department charges a fixed rate £14.25 to all individuals requiring domiciliary care who are currently in receipt of benefits. By altering this to a more fluid structure it is estimated that a saving of approximately £100,000 can be made. A change of this nature will require full and appropriate consultation, however the department seeks executive approval to progress this in order to mitigate the fee pressure associated with the implementation of the Social Services & Wellbeing Act for Wales. A part year implementation of this will only mitigate the costs in part.</p> <p>It is to be noted that the legitimacy of this change in fees is being considered on a national basis as this was a late change in the Social Services & Wellbeing Act and Executive may need to review management and support to the department should this pressure be realized in full in 2016/17.</p> <p>Fee Pressures</p> <p>The Local Authority is required to review independent sector care home fees annually. In setting fee levels for independent sector care homes, the Local Authority needs to show that they have fully considered the costs of the provision in determining our standard care fees. This is done in collaboration with the other Authorities in North Wales and the Health Board by utilizing a Regional Fee Methodology/Toolkit.</p>	

Based upon implementing these fees the potential cost for Adult Social Care in Anglesey would be £308,000. Whilst implementing the fees in accordance with the fee methodology does not entirely overcome a risk of legal challenge it is considered that the authority could more readily defend a legal challenge. 3 other counties have indicated that they will implement the fees in accordance with the model whilst 2 others remain in negotiation regarding fees.

Recent trends in residential and nursing placements in Anglesey show a year on year reduction in placements. In order to meet the fee pressure noted it is considered that 17 fewer placements will be required for 2016/17. Trends indicate that it is permissible that this level of reduction will occur in 2016/17. As a result the department proposes that fee increases are supported through continued focus on supporting people to live within their own homes, and therefore maintaining the reduction in placements of this nature.

At present adult social care domiciliary care from the independent sectors at a unit cost of £14.50 for every hour or every part thereof an hour. No increase was given to this fee in 2015/16 with fees remaining static for the first time in a number of years.

In the last 5 years ability to commission care in Anglesey has been good and amongst other things this has supported the county to achieve positive performance against Delayed Transfer of Care. During this year our ability to commission has been markedly reduced with a consequent deterioration in our performance in this area. As a result of this deterioration and a need to acknowledge pressures consistent with those noted in residential care, most of which relate solely to employment costs we consider that consideration of a fee increase of up to 7% would be required. Based upon this an additional cost of £187,249 would be required to meet this fee increase. This would require the fee to be increased to £15.50. Early indications from a local provider is that they continue to feel that a fee at this level will be insufficient. It is proposed that fees in Gwynedd will be increased to £16.06.

In order to meet this increase the department proposes to use savings made in 2016/17 to meet the majority of these pressure, but seeks financial assistance from the council to meet the remainder. £125,000 of savings were proposed against lines which are currently over spent. The department intends to realise these savings but seeks agreement that these are not withdrawn from the departments budgets. This action along with an investment of £62,249 in the current settlement will allow the department to meet this pressure.

Model Gofal Penucheldre

Penucheldre Extra- Care Housing Unit was opened in 2012. When the development was agreed a model of care was not implemented. As a result the gains expected from the development in terms of providing an alternative to residential care have not been realised in the short term. It is essential that in order to achieve these that a model of care is implemented.

Our intention is to implement this model as of the 1st of April, 2016. The cost of doing so is £37,286 in 2016/17. In 2017/18 and beyond savings are expected from the implementation of the model through reduced ongoing placements in residential care. It is on this basis that the department seeks short term investment to support this pressure in 2016/17.

Other

The department acknowledges that there are other fee and service pressures that it will be subject to in year. Namely these are pressure associated with additional placement within learning disability services, fee pressure in supported living services and potential supporting people cuts.

The department will aim manage these pressure from within current resources.

Summary

The Executive are asked to Acknowledge the pressures noted above and support the actions listed below to manage these pressures in 2016/17:-

- i. **Legislative-** Support a review of charging for domiciliary care to mitigate pressure from reduced respite fees. Review position in-year
- ii. **Fee Pressures-** Support the department proposal to manage demand to meet residential fees. Support the department with a recurring investment of £62,249 in domiciliary care fees in 2016/17.
- iii. **Model Gofal Penucheldre-** Support an investment of £37,286 in 2016/17 only to support the implementation of a care model in Penucheldre.
- iv. **Other Areas-** Acknowledge potential pressure and support the department to meet these from within current resources.

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

Options to minimize the level of increase offered to independent sector providers have been considered. They have not been recommended as failure to recognize cost pressures in 2016/17 may compound challenges in a market which has already faced severe pressures in the current year. These pressures have negatively impacted on the councils performance in supporting discharges from hospital.

The council has no option other than to implement the fee changes implemented as part of the Social Services & Wellbeing Act.

The option of not implementing a model of care in Penucheldre was rejected as this neither yielded savings in the medium term, or supported the development to function as an Extra Care Unit as was originally proposed.

C – Why is this a decision for the Executive?

The recommendations proposed require additional finance to implement.

As per the Constitution, it is deemed mandatory that such requirements are addressed to the executive for decision under both:-

4.8 Financial procedure rules for any virement/overspend identified or required for period 2015/16, and

4.3 For budget and policy framework procedure rules for the setting and declaration period 2016/17

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

Yes

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

Implementation of the recommendations would require additional funds not currently within the service budget. The Section 151 officer is aware of the additional funding required and has included these in his budget report under 'budget pressures'. The HoS Adult's report is included within said document as an appendix.

DD – Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT)(mandatory)	The SLT support the report
2	Finance / Section 151 (mandatory)	As Above
3	Legal / Monitoring Officer (mandatory)	As Above
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	
E – Risks and any mitigation (if relevant)		
1	Economic	None
2	Anti-poverty	None
3	Crime and Disorder	None
4	Environmental	None
5	Equalities	None
6	Outcome Agreements	None
7	Other	None
F - Appendices:		
FF - Background papers (please contact the author of the Report for any further information):		

APPENDIX 5

2016/17 BUDGET PROPOSAL BY SERVICE

	Initial Budget Proposal	Adjustments to Initial Budget Proposal	Standstill Budget following Provisional Settlement	Savings	Budget Pressures	Final Proposed Budget 2016/17
	£	£	£	£	£	£
Education and Culture	49,412,810	684,490	50,097,300	-908,000	0	49,189,300
Adult Services	22,383,430	193,460	22,576,890	-335,000	500,000	22,741,890
Children's Services	7,023,870	61,360	7,085,230	-143,000	100,000	7,042,230
Housing Services	915,610	21,310	936,920	-74,000	0	862,920
Environmental and Technical Regulation	14,847,510	159,920	15,007,430	-730,000	0	14,277,430
Economic & Community Regeneration	2,617,880	48,150	2,666,030	-111,000	0	2,555,030
Corporate Transformation	2,094,390	53,970	2,148,360	-147,000	0	2,001,360
Resources (incl Benefits Granted)	3,232,250	333,770	3,566,020	-84,000	50,000	3,532,020
Council Business	8,802,450	60,410	8,862,860	-72,000	0	8,790,860
Corporate Management	1,541,150	26,910	1,568,060	-56,000	0	1,512,060
JE (reserves funded)	716,750	5,040	721,790	0	0	721,790
	-2,916,390	0	-2,916,390	0	0	-2,916,390
Total Service Budgets	110,671,710	1,648,790	112,320,500	-2,660,000	650,000	110,310,500
Corporate & Democratic Costs	1,913,150	0	1,913,150	0	0	1,913,150
Recharges to HRA	-621,950	0	-621,950	0	0	-621,950
Levies	3,203,890	-9,710	3,194,180	0	0	3,194,180
Capital Financing	8,301,957	0	8,301,957	0	0	8,301,957
Discretionary Rate Relief	50,000	10,000	60,000	0	0	60,000
Total Allocated Budgets	123,518,757	1,649,080	125,167,837	-2,660,000	650,000	123,157,837
General & Other Contingencies Funded through Reserves	3,183,000	-1,712,000	1,471,000	-400,000	208,617	1,279,617
				-400,000		-400,000
Total Budget 2016/17	126,701,757	-62,920	126,638,837	-3,460,000	858,617	124,037,454
Funded By						
Revenue Support Grant	67,785,900	-	70,619,353	-	-	70,619,353
National Non Domestic Rates	20,996,630	-	21,308,694	-	-	21,308,694
Council Tax	32,348,076	-	32,419,643	-	-	32,109,407
Total Funding	121,130,606	-	124,347,690	-	-	124,037,454
Funding Gap	5,571,151	-	2,291,147	-	-	0

ISLE OF ANGLESEY COUNTY COUNCIL

Report to:	The Executive
Date:	1st March, 2016
Subject:	To report on the views of the Corporate Scrutiny Committee held on the 16th November 2015 & 1st February 2016
Portfolio Holder(s):	Councillor H. E. Jones
Head of Service:	Head of Resources and Section 151 Officer
Report Author: Tel: E-mail:	Head of Democratic Services jhjxce@anglesey.gov.uk
Local Members:	N/A

A –Recommendation/s and reason/s

The Executive is requested to consider the Corporate Scrutiny Committee’s Recommendations/Comments in section 8 of the report.

1. The context for the scrutinising of the initial Executive budget proposal 2016-17 has been set out in reports to the Corporate Scrutiny Committee. Work has been undertaken by the Committee within a revised budget setting process, to enable a more systematic approach to budget scrutiny.
2. This report summarises the views of the Corporate Scrutiny Committee held on the 16th November, 2015 and the 1st February, 2016. The following key elements have been scrutinised:
 - Revenue budgets 2016/17
 - Capital budgets 2016/17 and
 - Outcome of Public Consultation exercise
3. Input was received from the Partnership and Regeneration Scrutiny Committee members who were invited to both meetings. Scrutiny of the budget took place within the context of a revised budget setting process and a more systematic approach to financial scrutiny as part of the budget and service planning framework. Following service review meetings a series of Member workshops were held in September / October 2015 to inform the budget process for 2016/17.
4. On the 9th November, 2011 the Executive approved a standstill budget of £126.7 million and a projected 4.5% increase in Council Tax. Details of savings proposals identified by Directorates were presented; however a funding gap of over £1.6 million had been identified.

5. The Corporate Scrutiny Committee on the 16th November, 2015, scrutinised proposals and sought clarification from Heads of Service on key elements:
 - Impact on users and ratepayers
 - Impact on service standards and the drive for improvements
 - Deliverability during 2016/17
 - Potential for further efficiencies towards the funding deficit.
6. The Committee also scrutinised Capital bids recommended for approval. A resume of the Committees deliberations in relation to Revenue and Capital budgets are found in the minutes of the meeting held on 16th November, 2015.
7. To assist Members of the Committee to further scrutinise budget proposals on the 1st February a position statement on the proposed revenue and capital budget was presented by the Head of Resources – Section 151 Officer and attention given to:
 - The Executive’s initial budget proposals
 - Local Government provisional settlement
 - Revised budget position for 2016/17
 - Council Tax (including comparative information from other North Wales authorities.
 - Reserves
 - School budgets
8. In addition, Members were reminded of the core principles of the Council’s efficiency strategy and discussion focussed on addressing a number of key questions as a basis for reporting back to the Executive on both draft revenue and capital budgets and formalising of specific recommendations. The key questions addressed below mainly refer to key headings highlighted in the Head of Resources and Section 151 Officer ‘s report to Corporate Scrutiny Committee 1st February, 2016:
 - i. Should the savings identified as achievable in 2016/17 be maximised bearing in mind that by maximising savings it allows the Council greater flexibility to respond to service pressures and future savings requirements?

Recommendation/Comments

To recommend that savings identified as achievable in 2016/17 be maximised to allow the Council greater flexibility to respond to service pressures and future savings requirements

- ii. Does the Committee support a recommendation to be considered by the Executive, that a sum is allocated from general reserves to fund business process changes designed to release further efficiency savings which can be used to respond to service improvements/ pressures?

Recommendation/Comments

To recommend that a sum be allocated from general reserves to fund business process changes noted above.

- iii. What should the level of Council Tax be moving forward bearing in mind the matters raised by the head of Resources in his report, the contribution that Council Tax makes to the overall revenue of the Council and the financial pressures likely to be face by the Council from 2017/18 onwards?

Recommendation/Comments

To recommend that an increase in Council Tax be no greater than 3.5% whilst acknowledging the availability of Council reserves and the need to invest in services in order to maintain service standards.

- iv. What level of protection should be afforded to school budgets bearing in mind the need for schools to contribute to the overall savings required by the Council?

Recommendation/Comments

To recommend that a level of protection be afforded to school budgets as part of the medium term financial strategy.

- v. If a final decision is taken by the Executive to implement efficiency savings to the school budgets, the Committee is asked to comment on whether the levels of reserves in the primary sector should influence the decision as to how the savings are allocated across the sectors.

Recommendation/Comments

In relation to school budgets in general to recommend that there is scope within the primary sector to achieve savings in the future should the Executive request future efficiency savings.

- vi. Does the Scrutiny Committee have any further observations regarding the proposed capital budget?

Recommendation/Comments

The Committee did not formulate a view on this issue

- vii. How do the 2016/17 budgetary proposals enable the Executive to deliver on the Corporate plan and transformation programme? And are there any specific risks?

Recommendation/Comments

To recommend that balances be used to mitigate key risks in the Corporate Plan and Transformation programme.

- viii. How are the savings proposals underpinned by the principles of the Council's Efficiency Strategy?

Recommendation/Comments

The Committee did not formulate a view

9. Public Consultation

The Committee also scrutinised a report on the outcome of the consultation exercise undertaken as part of the budget and views from a range of stakeholders.

The feedback and key messages highlighted in the report, was accepted by the Committee.

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

N/A

C – Why is this a decision for the Executive?

IoACC Constitution paragraph 4.3.2.1.2(i), 4.3.2.1.3 and 4.3.2.1.4

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

Yes

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

N/A

DD – Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	On 22 February, 2016, SLT received and accepted the report.
2	Finance / Section 151 (mandatory)	As above.

3	Legal / Monitoring Officer (mandatory)	—
4	Human Resources (HR)	N/A
5	Property	N/A
6	Information Communication Technology (ICT)	N/A
7	Scrutiny	Scrutiny considered the Executive's Initial Budget Proposal at their 16.11.15. meeting and again on 1.2.16. To day's report summarises and now closes their review on the Executive Budget Proposal for 2016-17.
8	Local Members	N/A
9	Any external bodies / other/s	N/A

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

F - Appendices:
•

FF - Background papers (please contact the author of the Report for any further information):
<ul style="list-style-type: none"> • Budget Setting and Capital Strategy 2016/17- Executive 20th July, 2015. • Draft Revenue Budget 2016/17- Executive Report 9th November, 2015 – • Draft Revenue Budget 2016/17- Corporate Scrutiny Committee -16th November, 2015. • Minutes of the Corporate Scrutiny Committee -16th November, 2015 • Ynys Môn / Isle of Anglesey 'Meeting the Challenges' Consultation document 2016/17. • Report and Minutes- Corporate Scrutiny Committee- 1st February, 2016

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ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	THE EXECUTIVE
DATE:	1 MARCH 2016
SUBJECT:	CAPITAL BIDS 2016/17
PORTFOLIO HOLDER:	COUNCILLOR H E JONES
LEAD OFFICER:	MARC JONES
CONTACT OFFICER:	CLAIRE KLIMASZEWSKI / GARETH ROBERTS (EXT: 2675)
Nature and reason for reporting:	
To enable the County Council to approve and authorise the Capital Programme for 2016/17.	
A - Recommendation/s and reason/s	
<p>1. <u>BACKGROUND</u></p> <p>1.1 This is the schedule of Capital Bids proposed by departments for inclusion in the 2016/17 to 2020/21 Capital Programme.</p> <p>1.2 This report was presented to SLT on 12/10/15, and to the Executive on the 9th November 2015, and will be presented to the Full Council at a later date, where it will be recommended that the items shaded on Appendix A of the report (items to the value of £26.933m) be included in the Capital Programme for 2016/17 to 2020/21. £9.657m of this is brought forward commitment from 2015/16 for the two 21st Century Schools. The HRA funded schemes for 2016/17 amount to £11.636m.</p> <p>2. <u>PROGRESS</u></p> <p>2.1 Following the report to the Executive in July 2014 setting out a Capital Strategy, a request was made for departments to put forward bids for capital projects to be included in the 5 year Capital Programme.</p> <p>2.2 The response was far greater than expected and the full list of bids for 2016/17 is outlined in Appendix A(1) and Appendix A (2). Appendix A(1) shows the bids and their funding requirement with Appendix A(2) showing how the bids were scored against a specific set of criteria.</p> <p>2.3 Each bid was reviewed for completeness and then prioritised according to the allocated points which are based on a specific set of criteria, by the Capital Asset Group, as set out in Appendix B.</p> <p>2.4 An estimate of available capital resources (Appendix CH) was prepared, against which the schedule of bids was compared. As a result of this exercise, the items shaded on Appendix A were deemed to be those which were to be proposed for inclusion in the 2016/17 Capital Programme. Future years' inclusions will depend on the available resources at the appropriate time. However, it should be noted that the inclusion of projects in 2016/17 will have a commitment effect on future years.</p> <p>2.5 Progress on the Capital Programme for 2016/17 will be monitored regularly and reported to the Executive. In the event that we receive more capital receipts than anticipated, this could allow for further schemes to be considered, it will be reported to the Executive at the earliest opportunity, and a decision can be made on which new schemes, if any, to approve.</p> <p>2.6 The Capital Asset Group revised some of the funding requirement for the Education bids in accordance with the schedule provided. The schedule list schemes in priority order, and those with priority D, the most critical, were considered.</p>	

- 2.7** The Capital Asset Group originally resolved to revise the Community Care Information System Implementation bid, as it included some Revenue costs. However, it has since been agreed that all of the costs will be funded through this Capital programme.
- 2.8** The Disabled Facility Grant is required by statute. However, it is not required to be as high as the £0.816m requested. A decision can be made to reduce this amount, but the risks of doing so should be taken into account.
- 2.9** The programme recommended is estimated at £26.9m. This excludes a scheme which scores highly though is not affordable. The programme recommends inclusion of £1m investment in extra-care housing in Beaumaris for 2017/18 which would attract investment from a registered social landlord of £14m across 2018/19 and 2019/20. This is in addition to the existing Llangefni extra-care housing project. A bid was also submitted for £6m for extra-care housing in Amlwch. This was profiled to spend £3m in 2016/17 and £3m in 2017/18. This project has not attracted external investment to date. If the Amlwch extra-care housing scheme is excluded 24 new projects contributing to a range of corporate priorities could be accepted in addition to the two 21 Century Schools projects which were approved in 2015/16. If the extra-care housing is included in the programme, only 5 projects would be affordable in addition to the Holyhead and Llannau 21 Century Schools projects.
- 2.10** Although the bid for Holy Island Visitor Gateway (Weighted Rank 35) was unsuccessful, it should be noted that the bid for £80,000 over 2 years from the Isle of Anglesey County Council could result in External Funding of £4.92m, and should be considered.
- 2.11** Some schemes, such as the Replacement of Vehicles, and Software Licensing, do not meet a specific Corporate Priority. However, it is felt that without these schemes, some key services could not function, so have been recommended for approval.
- 2.12** Although an accepted scheme may have commitments in 2017/18 onwards, these schemes will need to be reviewed for affordability during the 2017/18 Capital Bid process. A new bid will need to be submitted with updated financial information, and the bid will need to be accepted again as part of the 2017/18 Capital budget setting process to proceed.
- 2.13** Appendix C shows the cost of borrowing to the authority to fund the Capital Programme for 2016/17. The cost of borrowing is incorporated into the Treasury Management Strategy (see separate Item on Agenda). The strategy confirms that the capital programme is affordable within the constraints set in the Treasury Management Strategy.
- 2.14** The Council is likely to face considerable cost concerning Equal pay and will be applying for Capitalisation Direction to fund these costs. The cost of Equal pay has not been quantified but is likely to be significant (possibly in the region of £4.5m) and will be additional to the projects in the Capital programme 2016/17 in this report. This may need to be funded from unsupported borrowing if no other capital funding is available.
- 2.15** Although the bid for a New waste collection system (Weighted Rank 33) for £0.523m was unsuccessful, it should be noted that this will produce £0.300m revenue saving per annum. This has been proposed as an efficiency saving for 2016/17, and the resulting saving forms part of the 2016/17 draft revenue budget. This scheme could go ahead by increasing the Unsupported borrowing by £0.523m, or by replacing a scheme that is currently successful. This scheme has since been approved by the Executive; therefore it has been included in Appendix A for approval. The additional cost of £0.509m will be funded through unsupported Borrowing.

3. MATTER FOR DECISION

3.1 This report has recommended:

- a)** That the items shaded on Appendix A to the report (items valued up to £26.933m) be included in the Capital Programme 2016/17 to 2020/21.
- b)** That the items for HRA shaded in the second table on Appendix A to the report (items valued up to £11.636m) be referred to the Housing Services Board for consideration of the Capital Programme 2016/17 to 2020/21.

Directorate	Department	Weighted Rank	Proposed Scheme	Brief Description	2016/17 Year 1 Cost (£'000)	2017/18 Year 2 Cost (£'000)	2018/19 Year 3 Cost (£'000)	2019/20 Year 4 Cost (£'000)	2020/21 Year 5 Cost (£'000)	Grant 2016/17	Net funding by IOACC 2016/17 - Capital Receipts (£'000)	Net funding by IOACC 2016/17 - Supported Borrowing (£'000)	Net funding by IOACC 2016/17 - General Capital Grant (£'000)	Net funding by IOACC 2016/17 - Unsupported Borrowing (£'000)	Net funding by IOACC 2016/17 - Revenue Contribution Unapplied Reserve (Capital) (£'000)
Lifelong Learning	Education	1	21st Century Schools - Holyhead		5,697	149				2,849				2,849	
Lifelong Learning	Education	2	21st Century Schools - Llannau		3,960	131				1,980	332			1,648	
Community	Adult's Service	3	Extra Care Housing South of the Island	This application for Capital support is made to directly support and enable the Corporate priority action on developing an extra care scheme in the South of the Island to proceed. If this £1m was secured, the care home would be developed by an RSL.	0	1,000	7,150	7,150		0					
Community	Adult's Service	4	Plas Crigyll Residential Care Home	The refurbishment programme for Plas Crigyll comprises of: • 4 New bathrooms (15k each) • 9 New disabled toilets (1k each) • New flooring to two units (9,250k) • 13 bedrooms requiring total refurbishment (1,500k each) • Double glazing to all existing windows (no costs at present)	98					0	98				
Sustainable Development	Highways	5	New Highways in relation to Wylfa Newydd	The development of a new nuclear power plant at Wylfa will require the delivery of improvements to the existing highway network on Anglesey. The Council has set out its evidenced based approach to the assessment of necessary highway improvements within the Supplementary Planning Guidance (SPG). This recognises the need for improvements to the A5025 and Lôn Nanner	3,784	4,918	5,876	14,168		3,784					
Sustainable Development	Highways	6	Replacement Vehicles	The Council operates a fleet of a variety of vehicles and plant including buses, HGV's cars and vans. This fund is required to replace those vehicles which have reached the end of their economic life	150	0	0	0	0	0	0	150			
Community	Housing - General Fund	7	Disabled Facility Grant	The Disabled Facilities Grant is a mandatory grant of up to £36,000 and the Council receives approximately 180 enquiries per year for various adaptations to the home. Approximately 120 of these enquiries proceed to a Disabled Facilities Grant approval.	816	0	0	0	0	0	816				
Lifelong Learning	Education	8	21st Century Schools - Parc y Bont		150	874	13			75	75				
Community	Adult's Service	9	CCIS Implementation	The bid requests £222,500 funding, of which only £50,000 of this related to Capital costs, over three years to support the All Wales Community Care Information System (CCIS), which has secured £6.7 million funding nationally from the Welsh Assembly, will be successfully implemented and exploited to its full capacity, making the most of any process improvements and workflow enhancement to improve the service offered in Anglesey and across Wales.	459	75				311	25			123	
Lifelong Learning	Education	10	21st Century Schools - Bro Rhosyr / Bro Aberffraw		390	3,696	1,037	68		195	195				
Lifelong Learning	Education	11	21st Century Schools - Bro Seiriol		207	718	3,668	939		103	104				
Sustainable Development	Highways	12	Beaumaris Flood Alleviation	Historically, the town of Beaumaris has suffered flooding. Recorded events begin in 1863, with significant events in 1915, 1957, 2004, 2007 and 2012. Increased storminess and rising tide levels as a result of climate change are increasing the frequency and severity of these events. Further to the 2004 event a number of works have been carried out to improve the capacity of the existing drainage systems and reduce flood risk, however, a residual risk remains from the combination of Pluvial and Tidal flooding. The Authority has a statutory duty to investigate flooding and where appropriate, seek WG funding for improvements.	600					400	90			101	9
Community	Housing - General Fund	13	Development of residential site for Gypsies and Travellers	The costs included in this capital bid are for the following types of site: 1 x permanent residential site for up to 11 households 2 x temporary stopping places for up to 20 caravans each. The costs involved are: Land acquisition Site development (to a standard recommended by the Welsh Government)	247	1,500				Potential	200		47		

Directorate	Department	Weighted Rank	Proposed Scheme	Brief Description	2016/17 Year 1 Cost (£'000)	2017/18 Year 2 Cost (£'000)	2018/19 Year 3 Cost (£'000)	2019/20 Year 4 Cost (£'000)	2020/21 Year 5 Cost (£'000)	Grant 2016/17	Net funding by IOACC 2016/17 Capital Receipts (£'000)	Net funding by IOACC 2016/17 Supported Borrowing (£'000)	Net funding by IOACC 2016/17 General Capital Grant (£'000)	Net funding by IOACC 2016/17 - Unsupported Borrowing (£'000)	Net funding by IOACC 2016/17 - Revenue Contribution Unapplied Reserve (Capital) (£'000)
Lifelong Learning	Education	14	Reduction of Fire Risks in Council Buildings	Year 2 of ongoing capital programme. Phase 1 works which include new fire alarm systems in Ysgol David Hughes and Ysgol Uwchradd Bodedern are near completion. Arson makes the likelihood of fire in a school a certainty. There have been several arson attacks in the past and every likelihood that there will be more in the future. It is therefore vital that every effort is taken to minimise the risk of a fire occurring and spreading, and ensuring that people in the building are evacuated to safety. Fire precautions in schools include compartmentation with the use of fire doors and solid walls, fire alarms and emergency lighting and the provision of escape routes. Sprinkler systems have been fitted in the new schools but there are no sprinklers in any other building. The original bid was for £150k, however no schemes on the schedule were classed as priority D, this has resulted in Enil funding being recommended.	0	0	0	0	0	0					
Sustainable Development	Highways	15	County Prudential Borrowing Initiative (Road Surfacing)	The revenue cuts for 2015/16 meant the Authority would fail to meet these contract minima from revenue funding and would find itself in a breach of contract situation with both contractors. A capital investment would enable the Council to stay within the terms of the contracts and be in a position to review the contracts for any extension or retendering beyond March 2017.	2,200	0					0	2,189	11		
Sustainable Development	Highways	16	Llangefni Link Road	The proposal is to construct 2.5km of a new link road to the SE of Llangefni with the scheme is split into four separate sections.	2,725	1,450	2,850			2,452			273		
Sustainable Development	Economic & Community Regeneration	17	Holyhead Strategic Infrastructure	Build new Industrial Units in Penrhos Industrial Estate Business Units	1,257	1,957	1,957			1,222	35				
Community	Adult's Service	18	Canolfan Byron - Community Equipment store	Canolfan Byron has responsibility for the delivery of both new aids and equipment and the collection of recycled equipment which are decontaminated on site for re-supply wherever possible. The Decontamination Unit within this service is now becoming obsolete and the unit requires to be replaced.	150					0			150		
Sustainable Development	Property	19	Disabled Access	The Equality Act 2010, which replaces the Disabled Discrimination Act, is a statutory requirement for the authority to carry out reasonable adjustments to its properties. Works are required to ensure all disabled people have access to services. An ongoing programme needs to be carried out to demonstrate compliance with The Equality Act 2010. Initially a complete survey of existing buildings is required and a programme of works developed thereafter.	100	0	0	0	0	0				100	
Sustainable Development	Economic & Community Regeneration	20	Llangefni Strategic Infrastructure	Build new Industrial Units in Mon Training Business Units	1,157	1,157	1,257			1,122			35		
Deputy Chief Executive	ICT	21	Corporate Website Content Management System	This bid is not merely about upgrading the design of the corporate site. This is about making it easy and accessible for users to get all the information, forms, advice that they need whilst enabling the delivery of significant savings for the council and also driving forward with the Transformation Programme.	75	25				0				75	
Lifelong Learning	Education	22	Disabled Access in Education Buildings	The Equality Act 2010, which replaces the Disabled Discrimination Act, requires the authority to carry out reasonable adjustments to the Authorities properties, whilst ensuring access and efficient use of authority resources.	300	0	0	0	0	0				300	
Lifelong Learning	Education	23	School Catering Facilities	The authority received a number of At Risk notifications following maintenance on catering ventilation systems in schools. When existing ovens require replacement, new ovens have to be installed to current standards entailing upgrading ventilation systems in the kitchens which are prohibitively expensive. The ongoing programme to upgrade these is essential, and adequate funding is required to ensure completion of the programme.	165	0	0	0	0	0				165	
Lifelong Learning	Education	24	Rewiring in Education Buildings	Year 2 of ongoing programme; Year 1 projects include rewiring at Ysgol Moelfre, Ysgol Uwchradd Caergybi and Ysgol Gynradd Bodffordd are near completion. The Electricity at Work Regulations 1989 require precautions to be taken to against the risk of death or personal injury from electricity in work activities. All schools are required to be tested every 5 years by competent electricians and the Property department arrange this work and receive reports of the findings. An action plan is created for each building with a list of recommended works. In some cases a few minor repairs are required but in other cases, due to the age of the installations, a complete rewire is necessary. This bid is to begin a programme of rewiring those schools deemed to be a high risk. Schools affected by the school reorganisation programme in the next five years are not included in this bid.	37	0	0	0	0	0				37	

Directorate	Department	Weighted Rank	Proposed Scheme	Brief Description	2016/17 Year 1 Cost (£'000)	2017/18 Year 2 Cost (£'000)	2018/19 Year 3 Cost (£'000)	2019/20 Year 4 Cost (£'000)	2020/21 Year 5 Cost (£'000)	Grant 2016/17	Net funding by IOACC 2016/17 Capital Receipts (£'000)	Net funding by IOACC 2016/17 Supported Borrowing (£'000)	Net funding by IOACC 2016/17 General Capital Grant (£'000)	Net funding by IOACC 2016/17 - Unsupported Borrowing (£'000)	Net funding by IOACC 2016/17 - Revenue Contribution Unapplied Reserve (Capital) (£'000)
Community	Housing - General Fund	25	Compulsory Purchase/Purchase by Agreement Scheme	The bid seeks funding to retain the funding year on year for the next five years. The expectation is that after year 1 the funding will become recyclable and therefore no additional funding is required. This will enable the return to use of a number of selected long term and problematic empty properties where negotiations with the owners have failed to conclude in the return to use of such properties	280								140		140
Deputy Chief Executive	ICT	26	Software Licensing	IOACC has made a significant investment in training and use of MS products, this capital bid would allow IOACC to continue to benefit from that investment. IOACC currently has 1050 users licensed to use MS products. We are audited against these users each year. Any failure to purchase a new license agreement would require us to stop using such product.	72	72	72			0					72
Lifelong Learning	Education	27	Holyhead Market Hall Hub Project	The project involves transforming a long term derelict and disused former Market Hall, a Grade II Listed Building, is at the heart of Holyhead's town centre	970					970					
Deputy Chief Executive	ICT	28	Network Upgrade	Without the network users would not be able to use these services. In recent months some of the hardware has been failing resulting in loss of service. The existing equipment is no longer supported by the manufacturer and like for like replacement is not available. Equipment failure can result in anything from a couple of dozen users to whole departments. A secure and efficient network connection is required for continued operation of ICT services.	60						0				60
Deputy Chief Executive	ICT	29	Sever and storage rolling replacement	We are looking to replace these servers with a smaller number of more powerful machines which will allow the physical services to be "virtualised", so that each modern server can run the equivalent of many traditional servers.	150	100	100			0					150
Community	Adult's Service	30	Haulfre Residential Care Home	Start to consult immediately on the future of Haulfre as a residential care home. This will involve a detailed analysis of suitability and viability based on key areas such as quality of care, building suitability and health and safety matters. This formal consultation would inform the Executive's final decision in October, which could include the possibility of closure.	168					98					69
Sustainable Development	Waste Management	33	New Waste Collection System	The Council has a statutory duty to collect household waste. In addition, the Council has statutory recycling targets that must be achieved (58% for 2015/16 rising to 70% for 2024/25 with interim targets in between). Failure to meet these targets will result in very high fines from the Welsh Government	509										509
					26,933	17,822	23,980	22,325	0	15,561	2,120	2,189	1,333	5,230	500
Lifelong Learning	Education	31	School Repairs and Maintenance	This bid is to address deficiencies to all the buildings which are unaffected by the school reorganisation plan. Due to a lack of capital funding to carry out vital repairs, and little investment in maintenance and repair to schools over a number of years, the condition of the school stock on Anglesey is unsatisfactory.	1,424	1,800	1,800	1,800	1,800		1,424				
Lifelong Learning	Education	32	Falls from height risks	Schools with flat roofs and old roof-lights made with non-safety glass pose a significant risk to contractors carrying out works, to surveyors and trespassers. The authority can be prosecuted should harm be proved as a result of lack of compliance with standards.	24							24			
Lifelong Learning	Education	34	Refurbishment of school toilets	An audit of school toilet facilities during 2013 has revealed they are in a poor state and that this is considered a high priority need for improvement. In some cases children are refusing to use facilities as they are considered unsanitary.	66							66			
Sustainable Development	Economic & Community Regeneration	35	Holy Island Visitor Gateway	The Isle of Anglesey County Council in partnership with key stakeholders is currently developing an ambitious tourism investment programme with a view of "Transforming Holy Island into an iconic destination, that's befitting of its strategic location as a key international visitor Gateway to Wales and the UK". The proposal has been developed as part of the bidding process for the Visit Wales led ERDF funded 'Iconic Tourism Infrastructure Programme' in Wales. The project aims to work in parallel with other key projects in Holyhead namely the VVP, HLF, and THI.	1,050	1,600	1,600	750		1,010	40				
Lifelong Learning	Education	36	Boiler Replacement Programme in Education Buildings	Many boilers in schools are at the end of their serviceable life and require replacement. There are 249 boilers in total in all schools. On average a typical boiler will last up to 30 years. This means that a minimum of 8 boilers should be replaced every year, at a cost of between x and x, depending on the size of the boiler.	150	150	150	150	150		150				
Sustainable Development	Property	37	Property Repairs and Maintenance	The condition of buildings on Anglesey is getting worse every year due to insufficient Capital funding to carry out vital repairs. Many buildings now have leaking roofs, windows that don't open or are rotten, damp issues and other health and safety risks. This bid is to address deficiencies to all the non-education buildings, including leisure centres, libraries, social services buildings, industrial estate and sundry properties and land.	200	200	200	200	200		200				

Directorate	Department	Weighted Rank	Proposed Scheme	Brief Description	2016/17 Year 1 Cost (£'000)	2017/18 Year 2 Cost (£'000)	2018/19 Year 3 Cost (£'000)	2019/20 Year 4 Cost (£'000)	2020/21 Year 5 Cost (£'000)	Grant 2016/17	Net funding by IOACC 2016/17 - Capital Receipts (£'000)	Net funding by IOACC 2016/17 - Supported Borrowing (£'000)	Net funding by IOACC 2016/17 - General Capital Grant (£'000)	Net funding by IOACC 2016/17 - Unsupported Borrowing (£'000)	Net funding by IOACC 2016/17 - Revenue Contribution Unapplied Reserve (Capital) (£'000)
Deputy Chief Executive	Transformation	38	Electronic Performance Management System	<p>The need of a new electronic performance management system has been identified as part of the improvements required in the Council's corporate self-assessment (dated January 2015) and is also included as part of the SLT's response to the forthcoming WAO's corporate assessment. Current performance management is paper based / officer driven, time consuming and far removed from a modern, smarter working organisation.</p> <p>There is a statutory obligation for the Council to meet the expectations of the Wales Programme for Improvement with regular performance plans and reports to be published within statutory deadlines.</p>	125	25					125				
Sustainable Development	Planning and Public Protection	39	Proposed Motorhome & Tourer Caravan Park at Holyhead Breakwater Country Park	The proposal is part of an ongoing programme of improvements to the offer and facilities available to the public at the council owned Breakwater Country Park at Holyhead (BCP). The improvements once completed will provide the potential for additional revenue funding which will assist in making the BCP self-funding in future with less reliance on council core funding.	50						50				
Lifelong Learning	Museums and Heritage	40	Essential works to Beaumaris Gaol and Courthouse	In order to attract an outside agency (e.g. social enterprise, charity or trust) to adopt and undertake the running of these sites instead of the Council, or to utilise the sites for a different purpose the buildings must be in good enough condition to be regarded as viable tourist income generators or as viable new business locations. A detailed report has been commissioned to provide a breakdown of essential costs of repairs to the Beaumaris Gaol and Courthouse in order to ensure that the buildings reach the minimum standard of repair expected by any agency that would take over the sites	232						232				
Lifelong Learning	Museums and Heritage	41	Essential works to Llynonn Mill	The windmill is the only working one of its kind in Wales, producing organic stoneground flour. The body of the mill is Grade II listed and thus requires work to the highest conservation standard. This is the responsibility of the County Council at present. Although work is constantly undertaken on the mill to keep it in good working order the render on the mill has not previously been to conservation standards causing cracking to increase and dampness to become widespread and due to the severe storms of 2014 is becoming more urgent to address the situation. It is intended to remove the existing render and replaced with flexible and breathable natural hydrolic lime render and plaster by experienced conservation professionals.	56						56				
Deputy Chief Executive	ICT	42	Mobile Device Management	This paper makes the case for capital finance to implement "Mobile Device Management" software which would allow the Council to achieve the benefits associated with mobile working, whilst complying with the requirements of the DPA and CoCo.	48						48				
Sustainable Development	Planning and Public Protection	43	Holy Island Landscape Partnership Application	<p>The first round application for funding needs to be submitted to the HLF by 1st June 2016. We are currently identifying the extent of work required for the submission and have mapped the outline needs at this stage. In-between then and now further work requiring external consultant support will need to:</p> <ol style="list-style-type: none"> 1) Identify new stakeholders, especially from the private sector such as tourism operators 2) Identify key areas of work relevant to the 9 outcomes of the HLF scheme relevant to Ynys Cybi 3) Rework the previous bid to build on the identified strengths but also address the weaknesses 4) Clearly identify the extent of the works needed 5) Undertake community and stakeholder involvement and engagement to ensure buy-in to meet HLF needs 	10	10					10				
					3,958	3,785	3,750	2,900	2,150	1,010	2,948				

Directorate	Department	Weighted Rank	Proposed Scheme	Brief Description	2016/17 Year 1 Cost (£'000)	2017/18 Year 2 Cost (£'000)	2018/19 Year 3 Cost (£'000)	2019/20 Year 4 Cost (£'000)	2020/21 Year 5 Cost (£'000)	Grant 2016/17	Net funding by IOACC 2016/17 (£'000)				
Community	Housing - HRA	1	HMU Transformation - 5 Vehicles	The aim of this Bid is to replace five old vans that are not fit for purpose and the older and most expensive to maintain. To achieve the vision, the HMU is required to access the Fleet Manager's current framework agreements.	80						80				
Community	Housing - HRA	2	Planned Refurbishment	Traditional external planned maintenance will continue to form the basis of our capital investment plans for 2016-17 and beyond. Home improvements in all projects will involve re-roofing, the application of an insulated render system, replacement windows and doors where appropriate, external works to include paths, fencing and boundary walls. Certain properties off the mains gas network will also benefit from the installation of Solar PV systems	5,404	5,492	4,160	4,223	4,229	2650	2,754				
Community	Housing - HRA	3	Development of additional Council Housing	This Funding Request is a 'Do Something Option' following our ability through self financing of the housing revenue account to provide the much needed additional affordable homes required on the island which will improve the health and well being of communities and their economic prosperity.	5,669	2,184	2,242	2,331	1,622		5,669				
Community	Housing - HRA	4	Re-modelling of Llaw y Dref, Llangejni	Built in 1982, Llaw y Dref has 51 one- and two-bedroom flats, with the majority of the accommodation being in two- or three-storey blocks. An internal working group has been formed to look at the options available for the re-modelling of the scheme following an options appraisal carried out recently by external consultants.	450						450				
Community	Housing - HRA	5	HMU Transformation - Tools	The aim of this Bid is to replace those tools that are not fit for purpose and are ineffective to maintain.	33						33				
					11,636	7,676	6,402	6,554	5,851	2,650	8,986				

Revenue

Directorate	Department	Weighted Rank	Proposed Scheme	Brief Description	2016/17 Year 1 Cost (£'000)	2017/18 Year 2 Cost (£'000)	2018/19 Year 3 Cost (£'000)	2019/20 Year 4 Cost (£'000)	2020/21 Year 5 Cost (£'000)	Grant 2016/17	Net funding by IOACC 2016/17 (£'000)				
Sustainable Development	Planning and Public Protection		Digitisation of the remaining Planning and Building Regulations Applications - Historical Paper Files	The Capital Bid would be used to fund the digitisation of these remaining files.	450						450				
Deputy Chief Executive	Policy		Corporate Policy Management System		8	3	3	3	3		8				
Sustainable Development	Planning and Public Protection		Time Recording to Prioritise Fee-Earning Work and act as a trial for other Services	The Capital Bid would be used to fund the initial set up purchase and annual maintenance support of the SAGE Time Recording System for use across the Service.	14	6	6	6			14				
					472	9	9	9	3	0	472				

Removed

Directorate	Department	Weighted Rank	Proposed Scheme	Brief Description	2016/17 Year 1 Cost (£'000)	2017/18 Year 2 Cost (£'000)	2018/19 Year 3 Cost (£'000)	2019/20 Year 4 Cost (£'000)	2020/21 Year 5 Cost (£'000)	Grant 2016/17	Net funding by IOACC 2016/17 (£'000)				
Community	Adult's Service		Extra Care Housing in Amlwch	This application for Capital support is made to directly support and enable the Corporate priority action on developing extra care schemes to proceed.	3,065	3,065				0	3,065				
					3,065	3,065	0	0	0	0	3,065				

Total

46,064	32,357	34,141	31,788	8,004	19,221	17,591
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APPENDIX A (2)

Weighting	30	20	15	10	20	5
Scoring Criteria (points awarded from 0-10)						

Directorate	Department	Weighted Rank	Proposed Scheme	Corporate priority the bid meets	Which part of the priority it meets	Projects Contribution to delivering corporate priorities	Level of Corporate risk that the proposal mitigates	Requirement to comply with statutory, health, DDA responsibilities to mitigate challenge	Level of joint / match funding potentially available	Favourable impact on revenue budget or invest to save potential	Robustness of Project Management	Total
Lifelong Learning	Education	1	21st Century Schools - Holyhead									
Lifelong Learning	Education	2	21st Century Schools - Llannau									
Community	Adult's Service	3	Extra Care Housing South of the Island	A - Transform Adult Social Care	Develop and establish in collaboration with partners two extra care housing schemes in the North and centre of the Island with planning for a further scheme in the South for older people who are unable to stay at home	300	140	75	100	200	50	865
Community	Adult's Service	4	Plas Crigyll Residential Care Home	A - Transform Adult Social Care	Develop joint service delivery and management in particular in relation to dementia, older people services in general and support for carers in order to better co-ordinate service provision, in partnership with the Health Board,	300	140	150	0	100	50	740
Sustainable Development	Highways	5	New Highways in relation to Wylfa Newydd	B - Regenerating our Communities and Developing the Economy	Work with partners to improve the road network through re-surfacing, surface dressing and other infrastructure investments including the upgrading of 12 miles of the A5025 from Valley to Wylfa	300	200	0	100	50	50	700
Sustainable Development	Highways	6	Replacement Vehicles	None	This doesn't meet a specific Corporate Priority, but it is essential for the delivery of many services.	300	200	150	0	0	50	700
Community	Housing - General Fund	7	Disabled Facility Grant	D - Increasing our Housing Options and Reducing Poverty	Work with partners to modernise and co-ordinate the benefits advice service so as to improve independence	300	0	150	0	200	40	690
Lifelong Learning	Education	8	21st Century Schools - Parc y Bont	C - Improving Education, Skills and Modernising our Schools	Develop and agree a school modernisation strategy to guide long term decisions	300	100	30	50	140	50	670
Community	Adult's Service	9	CCIS Implementation	G - Transforming our Information and Communication Technologies (ICT)	Ensure services use technology more widely to provide more efficient and effective service delivery	300	100	150	60	0	50	660
Lifelong Learning	Education	10	21st Century Schools - Bro Rhosyr / Bro Aberffraw	C - Improving Education, Skills and Modernising our Schools	Develop and agree a school modernisation strategy to guide long term decisions	300	90	30	50	140	50	660
Lifelong Learning	Education	11	21st Century Schools - Bro Seiriol	C - Improving Education, Skills and Modernising our Schools	Develop and agree a school modernisation strategy to guide long term decisions	300	80	30	50	140	50	650
Sustainable Development	Highways	12	Beaumaris Flood Alleviation	B - Regenerating our Communities and Developing the Economy	Work with the Welsh Government and other partners to strengthen the competitiveness of the island's economy and supporting local companies.	300	140	0	85	100	25	650
Community	Housing - General Fund	13	Development of residential site for Gypsies and Travellers	D - Increasing our Housing Options and Reducing Poverty		300	150	150	0	0	35	635

		Weighting		Scoring Criteria (points awarded from 0-10)									5
Directorate	Department	Weighted Rank	Proposed Scheme	Corporate priority the bid meets	Which part of the priority it meets	Projects Contribution to delivering corporate priorities	Level of Corporate risk that the proposal mitigates	Requirement to comply with statutory, health, DDA responsibilities to mitigate challenge	Level of joint / match funding potentially available	Favourable impact on revenue budget or invest to save potential	Robustness of Project Management	Total	
Lifelong Learning	Education	14	Reduction of Fire Risks in Council Buildings	C - Improving Education, Skills and Modernising our Schools	Continue to raise the standards in educational attainment rates and standards	240	200	150	0	0	30	620	
Sustainable Development	Highways	15	County Prudential Borrowing Initiative (Road Surfacing)	B - Regenerating our Communities and Developing the Economy	Work with partners to overcome infrastructure constraints to enable development investment and job creation	120	200	100	0	150	50	620	
Sustainable Development	Highways	16	Llangefni Link Road	B - Regenerating our Communities and Developing the Economy	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;	300	100	75	90	0	50	615	
Sustainable Development	Economic & Community Regeneration	17	Holyhead Strategic Infrastructure	B - Regenerating our Communities and Developing the Economy		300	0	0	95	160	50	605	
Community	Adult's Service	18	Canolfan Byron - Community Equipment store	A - Transform Adult Social Care	Improve the range and availability of community based services for older people to maintain their independence at home / reduce the risk of hospital admission and the reliance and need for residential care homes	300	100	150	0	0	50	600	
Sustainable Development	Property	19	Disabled Access	F - Becoming Customer, Citizen and Community Focused		240	140	150	0	0	35	565	
Sustainable Development	Economic & Community Regeneration	20	Llangefni Strategic Infrastructure	B - Regenerating our Communities and Developing the Economy		300	0	0	95	120	50	565	
Deputy Chief Executive	ICT	21	Corporate Website Content Management System	G - Transforming our Information and Communication Technologies (ICT)	Enable customers and citizens to communicate with the Council electronically over the web at a time and place convenient to them	300	140	75	0	0	50	565	
Lifelong Learning	Education	22	Disabled Access in Education Buildings	C - Improving Education, Skills and Modernising our Schools	Continue to raise the standards in educational attainment rates and standards	240	140	150	0	0	30	560	
Lifelong Learning	Education	23	School Catering Facilities	C - Improving Education, Skills and Modernising our Schools	Continue to raise the standards in educational attainment rates and standards	240	100	150	0	40	30	560	
Lifelong Learning	Education	24	Rewiring in Education Buildings	C - Improving Education, Skills and Modernising our Schools	Continue to raise the standards in educational attainment rates and standards	240	140	150	0	0	30	560	

		Weighting		Scoring Criteria (points awarded from 0-10)									
		30	20	15	10	20					5		
Directorate	Department	Weighted Rank	Proposed Scheme	Brief Description	Corporate priority the bid meets	Which part of the priority it meets	Projects Contribution to delivering corporate priorities	Level of Corporate risk that the proposal mitigates	Requirement to comply with statutory, health, DDA responsibilities to mitigate challenge	Level of joint / match funding potentially available	Favourable impact on revenue budget or invest to save potential	Robustness of Project Management	Total
Community	Housing - General Fund	25	Compulsory Purchase/Purchase by Agreement Scheme	The bid seeks funding to retain the funding year on year for the next five years. The expectation is that after year 1 the funding will become recyclable and therefore no additional funding is required. This will enable the return to use of a number of selected long term and problematic empty properties where negotiations with the owners have failed to conclude in the return to use of such properties	D - Increasing our Housing Options and Reducing Poverty	Increase the affordable housing options, island wide and bring empty homes back into use	300	0	150	0	60	50	560
Deputy Chief Executive	ICT	26	Software Licensing	IOACC has made a significant investment in training and use of MS products, this capital bid would allow IOACC to continue to benefit from that investment. IOACC currently has 1050 users licensed to use MS products. We are audited against these users each year. Any failure to purchase a new license agreement would require us to stop using such product.	None	This doesn't meet a specific Corporate Priority, but it is essential for the delivery of many services	300	200	0	0	0	50	550
Lifelong Learning	Education	27	Holyhead Market Hall Hub Project	The project involves transforming a long term derelict and disused former Market Hall, a Grade II listed Building, is at the heart of Holyhead's town centre			300	50	50	100	0	50	550
Deputy Chief Executive	ICT	28	Network Upgrade	Without the network users would not be able to use these services. In recent months some of the hardware has been failing resulting in loss of service. The existing equipment is no longer supported by the manufacturer and like for like replacement is not available. Equipment failure can result in anything from a couple of dozen users to whole departments. A secure and efficient network connection is required for continued operation of ICT services.	None	This doesn't meet a specific Corporate Priority, but it is essential for the delivery of many services	300	200	0	0	0	50	550
Deputy Chief Executive	ICT	29	Server and storage rolling replacement	We are looking to replace these servers with a smaller number of more powerful machines which will allow the physical services to be "virtualised", so that each modern server can run the equivalent of many traditional servers.	None	This doesn't meet a specific Corporate Priority, but it is essential for the delivery of many services	300	200	0	0	0	50	550
Community	Adult's Service	30	Haufrre Residential Care Home	Start to consult immediately on the future of Haufrre as a residential care home. This will involve a detailed analysis of suitability and viability based on key areas such as quality of care, building suitability and health and safety matters. This formal consultation would inform the Executive's final decision in October, which could include the possibility of closure.	A - Transform Adult Social Care	Re-develop our re-ablement service to support and help people	300	200	0	0	0	50	550
Sustainable Development	Waste Management	33	New Waste Collection System	The Council has a statutory duty to collect household waste. In addition, the Council has statutory recycling targets that must be achieved (58% for 2015/16 rising to 70% for 2024/25 with interim targets in between). Failure to meet these targets will result in very high fines from the Welsh Government	B - Regenerating our Communities and Developing the Economy	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.	150	100	105	0	160	25	540
Lifelong Learning	Education	31	School Repairs and Maintenance	This bid is to address deficiencies to all the buildings which are unaffected by the school reorganisation plan. Due to a lack of capital funding to carry out vital repairs, and little investment in maintenance and repair to schools over a number of years, the condition of the school stock on Anglesey is unsatisfactory.	C - Improving Education, Skills and Modernising our Schools	Continue to raise the standards in educational attainment rates and standards	240	120	150	0	0	30	540
Lifelong Learning	Education	32	Falls from height risks	Schools with flat roofs and old roof-lights made with non-safety glass pose a significant risk to contractors carrying out works, to surveyors and trespassers. The authority can be prosecuted should harm be proved as a result of lack of compliance with standards.	C - Improving Education, Skills and Modernising our Schools	Continue to raise the standards in educational attainment rates and standards	240	120	150	0	0	30	540
Lifelong Learning	Education	34	Refurbishment of school toilets	An audit of school toilet facilities during 2013 has revealed they are in a poor state and that this is considered a high priority need for improvement. In some cases children are refusing to use facilities as they are considered unsanitary.	C - Improving Education, Skills and Modernising our Schools	Continue to raise the standards in educational attainment rates and standards	240	160	105	0	0	30	535
Sustainable Development	Economic & Community Regeneration	35	Holy Island Visitor Gateway	The Isle of Anglesey County Council in partnership with key stakeholders is currently developing an ambitious tourism investment programme with a view of "Transforming Holy Island into an iconic destination, that's befitting of its strategic location as a key International visitor Gateway to Wales and the UK". The proposal has been developed as part of the bidding process for the Visit Wales led ERDF funded 'Iconic Tourism Infrastructure Programme' in Wales. The project aims to work in parallel with other key projects in Holyhead namely the V&A, HLF, and THL.	B - Regenerating our Communities and Developing the Economy	Support the visitor economy by working with partners to promote Anglesey's image and distinctive strengths	300	0	0	95	80	50	525
Lifelong Learning	Education	36	Boiler Replacement Programme in Education Buildings	Many boilers in schools are at the end of their serviceable life and require replacement. There are 249 boilers in total in all schools. On average a typical boiler will last up to 30 years. This means that a minimum of 8 boilers should be replaced every year, at a cost of between x and x, depending on the size of the boiler.	C - Improving Education, Skills and Modernising our Schools	Continue to raise the standards in educational attainment rates and standards	240	80	150	0	0	30	500
Sustainable Development	Property	37	Property Repairs and Maintenance	The condition of buildings on Anglesey is getting worse every year due to insufficient Capital funding to carry out vital repairs. Many buildings now have leaking roofs, windows that don't open or are rotten, damp issues and other health and safety risks. This bid is to address deficiencies to all the non-education buildings, including leisure centres, libraries, social services buildings, industrial estate and sundry properties and land.	E - Transforming our Leisure and Library Provision		150	140	75	0	0	35	400

Directorate	Department	Weighted Rank	Proposed Scheme	Corporate priority the bid meets	Which part of the priority it meets	Projects Contribution to delivering corporate priorities	Level of Corporate risk that the proposal mitigates	Requirement to comply with statutory, health, DDA responsibilities to mitigate challenge	Level of joint / match funding potentially available	Favourable impact on revenue budget or invest to save potential	Robustness of Project Management	Total
Community	Housing - HRA	1	HMU Transformation - 5 Vehicles	None	This doesn't meet a specific Corporate Priority, but it is essential for the delivery of many services	300	200	0	0	0	50	550
Community	Housing - HRA	2	Planned Refurbishment	B - Regenerating our Communities and Developing the Economy D - Increasing our Housing Options and Reducing Poverty	Support those at risk of becoming homeless and homeless individuals to find permanent homes	300	200	150	0	0	50	700
Community	Housing - HRA	3	Development of additional Council Housing	D - Increasing our Housing Options and Reducing Poverty	Increase the affordable housing options, island wide and bring empty homes back into use	300	200	150	0	0	50	700
Community	Housing - HRA	4	Re-modelling of Llaw y Dref, Llangefni	D - Increasing our Housing Options and Reducing Poverty	Increase the affordable housing options, island wide and bring empty homes back into use. Support those at risk of becoming homeless and homeless individuals to find permanent homes	300	200	150	0	0	50	700
Community	Housing - HRA	5	HMU Transformation - Tools	None	This doesn't meet a specific Corporate Priority, but it is essential for the delivery of many services	300	200	0	0	0	50	550

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Revenue

Directorate	Department	Weighted Rank	Proposed Scheme	Corporate priority the bid meets	Which part of the priority it meets	Projects Contribution to delivering corporate priorities	Level of Corporate risk that the proposal mitigates	Requirement to comply with statutory, health, DDA responsibilities to mitigate challenge	Level of joint / match funding potentially available	Favourable impact on revenue budget or invest to save potential	Robustness of Project Management	Total
Sustainable Development	Planning and Public Protection		Digitisation of the remaining Planning and Building Regulations Applications - Historical Paper Files	None	N/A	0	0	0	0	0	0	0
Deputy Chief Executive	Policy		Corporate Policy Management System		De-minimus	300	0	0	0	0	50	350
Sustainable Development	Planning and Public Protection		Time Recording to Prioritise Fee-Earning Work and act as a trial for other Services		Deminimus	0	0	0	0	50	50	100

Removed

Directorate	Department	Weighted Rank	Proposed Scheme	Corporate priority the bid meets	Which part of the priority it meets	Projects Contribution to delivering corporate priorities	Level of Corporate risk that the proposal mitigates	Requirement to comply with statutory, health, DDA responsibilities to mitigate challenge	Level of joint / match funding potentially available	Favourable impact on revenue budget or invest to save potential	Robustness of Project Management	Total
Community	Adult's Service		Extra Care Housing in Amlwch	A - Transform Adult Social Care	Develop and establish in collaboration with partners two extra care housing schemes in the North and centre of the Island with planning for a further scheme in the South for older people who are unable to stay at home	300	140	0	0	200	50	690

SCORING MATRIX**1. Projects Contribution to delivering corporate priorities (Weighting 30%)**

- 300 points is awarded if the scheme fully meets one or more of the bullet points within the corporate plan.
- A score of between 1 and 299 is awarded if part of the bullet points within the corporate plan is met, with the score reflecting the severity of the impact. If a scheme meets most of the corporate priority, it should score over 200 points, but if the scheme only meets a fraction of the corporate priority, it should score less than 100. The scoring is based on the scorer's discretion.
- A score of 0 is awarded if the scheme doesn't meet any of the bullet points within the corporate plan.

2. Level of Corporate Risk that the proposal mitigates (Weighting 20%)

- 200 points is awarded if the scheme fully mitigates a corporate risk.
- A score of between 1 and 199 is awarded if the scheme partly mitigates a corporate risk. The score will reflect the severity of the mitigation. If a scheme mitigates a lot of the corporate risk, it should score over 120 points, but if the scheme only mitigates a small amount of corporate risk, it should score less than 50. The scoring is based on the scorer's discretion.
- A score of 0 is awarded if the scheme doesn't mitigate any of the corporate risk.

3. Requirement to comply with statutory, health, DDA responsibilities to mitigate challenge (Weighting 15%)

- 150 points is awarded if the scheme is fully required to comply with either statutory, health, or DDA responsibilities.
- A score of between 1 and 149 is awarded if the scheme partly complies with either statutory, health, or DDA responsibilities. The score will reflect the severity of the compliance. If a scheme complies a lot with either the statutory, health, or DDA responsibilities, it should score over 100 points, but if the scheme only complies slightly with either statutory, health, or DDA responsibilities it should score less than 30. The scoring is based on the scorer's discretion.
- A score of 0 is awarded if the scheme doesn't comply with either statutory, health, or DDA responsibilities.

4. Level of joint / match funding potentially available (Weighting 10%)

- If the scheme is 100% grant funded, the scheme will score 100 points. If the scheme is 50% grant funded, the scheme will score 50 points. If the scheme will receive no grant funding, it will score 0 points.

5. Favourable impact on revenue budget or invest to save potential (Weighting 20%)

- 200 points is awarded if the scheme has a major impact on revenue budget or invest to save potential.
- A score of between 1 and 199 is awarded if the scheme has some favourable impact on revenue budget or invests to save potential, with the scoring dependant on how much impact there is on the revenue budget. A high favourable impact should score over 120, with a low impact expected to score less than 50 points.
- A score of 0 is awarded if there is no favourable impact on revenue budget or invest to save potential.

6. Robustness of Project Management (Weighting 5%)

- A fully robust project management will score 50 points.
- A score of between 1 and 49 will be scored dependant on how robust the project management is, with the scoring based on the scorer's discretion.
- A score of 0 is awarded if the project management is not robust at all.

THE COST OF BORROWING

To fund the proposed Capital Programme for 2016/17, it is recommended that the authority undertake Unsupported Borrowing of £5.230m. Table 1 below, shows the cost of borrowing this amount over a number of years using the latest interest rate from the Public Works Loans Board (PWLB).

If it is felt that an alternative amount needs to be borrowed to fund more schemes, or to cut the proposed Capital Programme, Table 2 shows the cost of borrowing £1m, £5m and £10m over a 30 year period using the latest interest rate from the Public Works Loans Board (PWLB).

Table 1

Number of Years	Fixed Term Rate	Annual interest cost (£)	Interest over the term (£)	Annual Repayment of the Principal (£)	Total Annual Cost (£)	Total cost over the lifetime (£)
10	2.62%	137,026.00	1,370,260.00	523,000.00	660,026.00	6,600,260.00
20	3.28%	171,544.00	3,430,880.00	261,500.00	433,044.00	8,660,880.00
30	3.37%	176,251.00	5,287,530.00	174,333.33	350,584.33	10,517,530.00
40	3.23%	168,929.00	6,757,160.00	130,750.00	299,679.00	11,987,160.00
50	3.20%	167,360.00	8,368,000.00	104,600.00	271,960.00	13,598,000.00

Table 2

Borrowing Amount (£)	Annual interest cost (£)	Interest over the term (£)	Annual Repayment of the Principal (£)	Total Annual Cost (£)	Total cost over the lifetime (£)
1,000,000	33,700.00	1,011,000.00	33,333.33	67,033.33	2,011,000.00
5,000,000	168,500.00	5,055,000.00	166,666.67	335,166.67	10,055,000.00
10,000,000	337,000.00	10,110,000.00	333,333.33	670,333.33	20,110,000.00

Table 1 – The Proposed Capital Programme for 2016/17

Capital Programme 2016/17	Total £'000
General Fund	26,933
HRA	11,636
Slippage	10,231
Total	48,800

Table 2 – The Proposed Funding for the Capital Programme for 2016/17

Funded By:	General Fund	HRA	Slippage	Total
Capital Grant	15,561	2,650	1,576	19,787
General Capital Grant	1,333		-	1,333
Capital Receipts	2,120		-	2,120
Supported Borrowing	2,189		587	2,776
Unsupported Borrowing	5,230		4,805	10,035
Revenue Contribution		8,986	3,263	12,249
Reserves	500			500
Total Funding	26,933	11,636	10,231	48,800

Table 1 shows the Proposed Capital Programme for 2016/17, and the total for the General Fund and the HRA can be broken down in Appendix A (1) of this report.

Table 2 shows how the Proposed Capital Programme for 2016/17 will be funded, which can also be found in Appendix A (1) of this report.

This information has been incorporated into the Treasury Management Strategy Statement 2016/17 to ensure that the programme is affordable. This information can be found in the table under Section 2 'Capital Considerations' on page 3, and in table 3.1 'Current Projected Borrowing Requirement and Actual Borrowing' on page 4 of the Treasury Management Strategy Statement.

The figure for Unsupported Borrowing in 2016/17 on table 3.1 of the Treasury Management Strategy Statement is £11.035m, compared to £10.035m in the table above. Although the proposed HRA capital programme does not require any unsupported borrowing to enable it to go ahead, the HRA can if required borrow £1m in 2016/17. The Treasury Management Strategy has assumed that the £1m unsupported borrowing is utilised in order to ensure that the programme is still affordable should it become necessary to borrow the £1m.

ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	THE EXECUTIVE
DATE:	1 MARCH 2016
SUBJECT:	COUNCIL TAX PREMIUMS - SECOND HOMES AND LONG-TERM EMPTY PROPERTY
PORTFOLIO HOLDER(S):	COUNCILLOR HYWEL EIFION JONES (PORTFOLIO HOLDER – FINANCE)
HEAD OF SERVICE:	MARC JONES HEAD OF FUNCTION (RESOURCES) (SECTION 151 OFFICER)
REPORT AUTHOR:	GERAINT H. JONES (REVENUES AND BENEFITS SERVICE MANAGER)
TEL:	01248 752651
E-MAIL:	GHJFI@ANGLESEY.GOV.UK
LOCAL MEMBERS:	NOT APPLICABLE

A - Recommendation/s and reason/s
<p>RECOMMENDATIONS</p> <ol style="list-style-type: none"> 1. The Executive, recommends to the Isle of Anglesey County Council (“Full Council”), as a billing authority in Wales, in its meeting on 10 March 2016 to use its discretionary powers, under sections 12A and 12B of the Local Government Finance Act 1992 (“the 1992 Act”) as inserted by the Housing (Wales) Act 2014 (“the 2014 Act”) to disapply any discount(s) granted to long-term empty dwellings and dwellings occupied periodically (usually known as second homes) and apply a higher amount of council tax (called a Council Tax Premium) to come into effect from 1 April 2017. 2. The Executive, to decide on the percentage level(s) of Council Tax premium(s) it will recommend to the Full Council to determine in its meeting on 10 March 2016 and also recommends to the Full Council, that during 2017/18 (the first year of operation of the Council Tax premiums) a review of such premiums is undertaken by the Head of Function (Resources) and Section 151 Officer to establish if the premiums determined have met the aims of the Executive and the Full Council and whether, as a consequence, the premium levels determined need to be varied or revoked when the Full Council sets its Council Tax requirement for 2018/19. The revised premiums, if applicable, will then come into force from 1 April 2018 onwards. 3. The Executive recommends to the Full Council that at its meeting on 10 March 2016 it instructs and authorises the Head of Function (Resources) and Section 151 Officer to:- <ol style="list-style-type: none"> i. Publish a notice of its determination to charge a premium in a local newspaper within 21 days of its decision; ii. To communicate its decision, also within 21 days and in particular to those who may be affected, by publication of press notices, providing information on website pages or other avenues to raise awareness. This to include direct communication with council taxpayers who are likely to be liable for the premium and in particular to those who normally reside outside the local authority area; iii. Ensure that administrative arrangements are put in place to establish (before the Executive calculates the Council Tax Base for 2017/18 and the Full Council sets its Council Tax requirement for 2017/18) the estimated number of long-term empty dwellings and dwellings occupied periodically (usually known as second homes) that will be eligible to be charged a Council Tax premium under the 1992 Act, as inserted by the 2014 Act, subject to the exceptions allowed by regulations;

iv. Ensure that administrative arrangements are put in place for the proper administration and enforcement of the Council Tax premium from 1 April 2017 onwards and notes that the Executive agrees in principle (subject to the Executive's approval) to any additional resources that is deemed necessary (by the Head of Function (Resources) and Section 151 Officer), to ensure that there is proper administration and enforcement of the Council Tax premium, which will initially include, establishing the estimated number of dwellings where the Council Tax premium will apply.

4. The Executive also recommends that the Full Council instructs and authorises the Head of Function (Resources) and Section 151 Officer (before the Executive calculates the Council Tax Base for 2017/18 and the Full Council sets its Council Tax requirement for 2017/18) that the Executive and the Full Council (as a billing authority in Wales), is advised whether it needs to determine under section 13A of the 1992 Act to use its discretionary powers to reduce council tax liability resulting from a Council Tax premium being charged, to such extent it thinks fit. For fairness and transparency, should such a determination be required, advice is to be provided if the Full Council should adopt a clear policy on whether and how these powers will be used, with appropriate delegated decision making authority being provided for in the Council's Constitution but also recognising that each case is considered on its merits having taken into account the circumstances of each case.

REASONS AND BACKGROUND

See attached report - **Appendix A**

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

See attached report – **Appendix A**

C - Why is this a decision for the Executive?

Primary legislation states that this is a decision for the Full Council. The Executive is asked to endorse the recommendations for approval by the Full Council.

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

The Welsh Government when giving powers to local authorities in Wales to charge a premium on the Council Tax had the aim that such powers would assist local authorities in bringing long-term empty homes back into use to provide safe, secure and affordable homes and to support local authorities to increase the supply of affordable housing and enhance sustainability of local communities. This is consistent with the Council's aims and priorities.

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

The additional revenue generated from the charging of a Council Tax premium will be retained by local authorities to be spend as they wish, but the Welsh Government encourages use of any additional revenue generated to help local housing needs, in line with the policy intentions of the premiums.

Amendments to the calculation of the tax base regulations will be made to facilitate local authorities being able to retain the additional income generated. This will not affect the calculation of the Revenue Support Grant by the Welsh Government to this Council for 2017/18 onwards.

DD - Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	
2	Finance / Section 151 (mandatory)	Author of report
3	Legal / Monitoring Officer (mandatory)	
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	
E - Risks and any mitigation (if relevant)		
1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	<p>The main risks to the Council on deciding whether to charge a premium are:-</p> <ul style="list-style-type: none"> • over estimation of additional income generated; • additional administration and recovery costs; • possible increased tax avoidance e.g. change of use to Business Rates; • possible reduction in the Council Tax base initially; • possible hardship to certain property owners; • possible impact on the tourism industry on the Island • failure of premium to achieve original aim of Welsh Government and this Authority <p>These may be mitigated by the percentage level set for the premium.</p>
F - Appendices:		
Appendix A: Report to full Council to consider 10 March 2016		
FF - Background papers (please contact the author of the Report for any further information):		
<ul style="list-style-type: none"> • Local Government Finance Act 1992 as amended by Section 7 of the Housing (Wales) Act 2014 • Council Tax (Exceptions to Higher Amounts Wales) Regulations 2015 • Council Tax (Exempt Dwellings) Order 1992 • Statutory Guidance by Welsh Government on the Implementation of Council Tax Premiums on Long-Term Empty Homes and Second Homes in Wales December 2015 		

ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	COUNTY COUNCIL
DATE:	10 MARCH 2016
SUBJECT:	COUNCIL TAX PREMIUMS: LONG-TERM EMPTY DWELLINGS AND DWELLINGS OCCUPIED PERIODICALLY (USUALLY KNOWN AS SECOND HOMES)
LEAD OFFICER(S)	MARC JONES HEAD OF FUNCTION (RESOURCES) (SECTION 151 OFFICER)
CONTACT OFFICER	GERAINT JONES REVENUES AND BENEFITS MANAGER (EXT. 2651)
ACTION :	<ol style="list-style-type: none"> 1. To decide on whether to charge Council Tax premiums for long-term empty dwellings and for dwellings occupied periodically (usually known as second homes) from 1 April 2017; and 2. If the decision is to do so, determine the percentage level of the Council Tax premium for long-term empty dwellings and for dwellings occupied periodically (usually known as second homes) from 1 April 2017.

1. Purpose of the report

The report explains the requirement for the Isle of Anglesey County Council, as a billing authority for its area, to make a decision whether to charge a premium of up to 100% of the standard rate of council tax on long-term empty dwellings and second homes by 31 March 2016 to come into effect from 1 April 2017.

2. Background Information

- 2.1** Legislative changes were made by the Housing (Wales) Act 2014 ("2014 Act") giving local authorities discretionary powers on whether to charge a premium on long-term empty dwellings or second homes (or both). The 2014 Act amended the Local Government Finance Act 1992 ("1992 Act") by inserting new sections 12A and 12B to enable a billing authority (a county council or county borough council) in Wales to disapply any discount granted to long-term empty dwellings and dwellings occupied periodically and apply a higher amount of council tax (a premium).
- 2.2** The Full Council's current policy is not to award any discounts to owners of long-term empty properties i.e. empty and substantially unfurnished for 6 months or more and to owners of second homes i.e. not a person's sole or main residence and substantially furnished. At present, long-term empty dwelling owners and second homes owners are liable for 100% Council Tax (i.e. the standard rate).
- 2.3** Local authorities will now have discretion to decide on the amount of the premium from 0% up to a maximum of 100% of the standard rate of council tax that applies to the dwelling. A billing authority can make, vary or revoke a determination made under sections 12A and 12B of the 1992 Act, but only before the beginning of the financial year to which the determination applies. For second homes however, a billing authority **MUST MAKE its first determination under section 12B at least one year before the beginning of the financial year** to which the premium applies. This means in order to charge a premium from 1 April 2017, a billing authority must make its determination for second homes before 1 April 2016. The same requirement does not apply to long-term empty properties but there is nothing to prevent a determination for long-term empty dwellings being done to be set at the same time.

- 2.4** A **long-term empty dwelling** is defined (for Council Tax premium purposes) as a dwelling which is both unoccupied and substantially unfurnished for a continuous period of at **least one year**. When determining whether a dwelling has been empty for one year, no account is to be taken of any period before 1 April 2016. If the local authority makes a determination to charge a premium on long-term empty dwellings, it may specify different percentages (up to a maximum of 100%) for different dwellings based on the length of time for which they have been empty. This will allow a stepped approach with incremental increases over time.
- 2.5** A **second home** is defined as a dwelling which is not a person's sole or main home and is substantially furnished. The 1992 Act refers to them as dwellings occupied periodically.
- 2.6** The Welsh Government's aim when giving the discretion to local authorities to charge a premium, on top of the standard rate, was to be a tool to help local authorities:-
- Bring long-term empty homes back into use to provide safe, secure and affordable homes; and
 - Support local authorities in increasing the supply of affordable housing and enhancing the sustainability of local communities.
- 2.7** In considering whether or not to charge a premium, regard is given to these aims and also the particular housing need and circumstances in the authority's area. Factors which will help a local authority to decide whether to charge a premium or not include –
- the numbers and percentages of long-term empty dwellings or second homes in its area;
 - the distribution of long-term empty dwellings or second homes and other housing in the authority and an assessment of their impact on property values in particular areas;
 - potential impact on local economies and the tourism industry;
 - patterns of demand for, and availability of, affordable homes;
 - potential impact on the local public services and local community;
 - other measures available to the authority to increase housing supply and to bring back empty properties into use.
- 2.8** Welsh Ministers have exercised their powers under the 1992 Act to make regulations to prescribe one or more classes of dwellings in relation to which a billing authority may not make a determination to charge a Council Tax premium. These are contained in The Council Tax (Exceptions to Higher Amounts)(Wales) Regulations 2015 and are listed in **Appendix 1**.
- 2.9** Council Tax premiums cannot also be charged for a dwelling where no Council Tax is paid under the Council Tax (Exempt Dwellings) Order 1992. These are listed in **Appendix 2**.
- 2.10** Dwellings, where year-round occupation is prohibited are not eligible to be charged a premium (see Class 6 in Appendix 1). This means, that dwellings that are advertised as being available for holiday rental for 140 days a year and where owners can provide evidence that they are rented for 70 days or more a year, will be eligible to pay business rates rather than domestic Council Tax. There are 292 such properties classified as businesses in the Council's area currently and they will not be affected by the changes as regards Council Tax premiums.
- 2.11** The Full Council, as a billing authority has, under section 13A of the 1992 Act the discretionary powers to reduce council tax liability to such extent it thinks fit. This discretionary power can be exercised in particular cases or by determining a class or case. This power can be used to reduce a council tax liability in circumstances where a local authority has decided to charge a premium. Examples where a local authority might consider using these powers include:-

- where there are reasons why a dwelling could not be lived in;
- where there are reasons why a dwelling cannot be sold or let;
- where an offer has been accepted on a property but the sale has not yet been completed and the exception period has run out;
- where charging a premium might cause hardship.

2.12 The use of powers granted under section 13A is a matter for the local authority but in the interest of fairness and transparency, there should be a clear policy on whether, and how, these powers will be used. However, each case must be considered on its merits taken account of the circumstances of each case.

2.13 The Council has also engaged and undertaken consultation with key stakeholders, including the local electorate, before taking a decision as to whether or not to charge one or both of the premiums. Because of the tight timescales between the making of the publishing of the statutory guidance in December 2015 and the exception regulations coming into effect on 31 January 2016 and the requirement to determine whether or not to charge a Council Tax premium on second homes by 31 March 2016, consultation has been truncated to a period between 16 February 2016 and 4 March 2016.

2.14 The Welsh Government has previously undertaken a series of consultations regarding giving discretionary powers to local authorities in Wales to charge additional council tax on long-term empty and second homes and these were considered when finalising their policy. These were:-

- Council Tax and Long-Term Empty Homes in Wales: 31 July 2012 – 30 October 2012;
- Consultation on Discretionary Powers for local authorities to increase council tax on Second Homes: 16 September 2013 – 28 October 2013;
- Exemptions to the Council Tax Premium for Second Homes in Wales: 13 March 2015- 13 June 2015;
- Exemptions to the Council Tax Premium for Long-term empty homes in Wales: 13 March 2015 - 13 June 2015;
- Technical consultation on the council tax (exceptions from higher amount)(Wales) regulations 2015: 16 October 2015 – 13 November 2015.

2.15 An Equality Impact Assessment has been carried out and was submitted to the Minister for Public Services for consideration alongside the draft bill and regulations.

2.16 Should the Full Council decide to charge a Council Tax premium for long-term empty and second homes it is required to publish a notice in a local newspaper within 21 days of its decision. It should then consider how its decision is communicated more widely, particularly to those affected and who normally reside outside the local area.

3. Main issues in deciding on whether or not to charge a Council Tax premium and the Percentage level to apply

3.1 The Full Council is obliged by 31 March 2016 to determine whether or not to charge a Council Tax premium for second homes and the percentage level it wishes to apply from 1 April 2017. The Full Council at the same time can make a decision whether or not to charge a Council Tax premium on long-term empty dwellings and the percentage level it wishes to apply from 1 April 2017. In doing so, and as mentioned earlier, it needs to have regard to the Welsh Government's aims in providing discretionary powers to local authorities in Wales and also relevant factors to consider on whether to charge a premium or not.

3.2 The main aim of the Welsh Government with regard to charging a Council Tax premium was to increase the supply of affordable housing. This is both a local and a national priority. Long-term empty dwellings and second homes can reduce the amount of housing available for local people.

- 3.3 With regard to the Isle of Anglesey, the 2011 Census showed that 10.5% of homes on the Island had no usual residents. This varied from 1.8% in the London Road Ward in Holyhead to 42.7% of properties in Rhosneigr that were either empty or where second homes. (see **Appendix 3** for further details). This places the Island in the top 10 local authority areas in England and Wales having a greater percentage of homes with no usual residents.
- 3.4 Current Council Tax records for long-term empty dwellings and second homes reflect the 2011 Census data as regards the distribution of such property. A higher number of second homes tend to be in coastal settlements where there is often a shortage of affordable housing, with a higher number of long-term empty dwellings in the main towns on the Island. This has impact on the number of affordable dwellings in these areas and generally on the Island. (see **Appendix 4** for further details in respect of Council Tax current records).
- 3.5 Current Council Tax records for long-term empty dwellings and second homes also show the distribution of such properties in accordance to their Council Tax bands. (see **Appendix 5**)
- 3.6 Based on current Council Tax records for long-term empty dwellings and second homes the potential additional revenue generated, dependant on the premium charged will be £730k at a 25% premium up to £3m at a 100% premium. (see **Appendix 6**). A considerable degree of caution has to be introduced when considering these figures. A net reduction adjustment of 30% on the potential income that can be generated has been made to take account of possible exceptions required under regulations and also having regard to the lack of robustness and accuracy of the Council Tax data base.
- 3.7 Housing Services' Empty Homes Database dated 1 April 2015 identified 863 empty property on the Island, with 80% being empty for 12 months or more. 35% of long-term empty property on the Island have been empty for over 4 years. The condition of such properties may have deteriorated over the years possibly affecting adjacent properties and property values. (see **Appendix 7**)
- 3.8 To be able to charge a Council Tax premium on long-term empty dwellings, the dwelling has to be empty for 12 months or more (unless excepted) measured from 1 April 2016 – periods previous to this are discounted. If the Full Council decides to use its discretionary power to specify different percentages for different long-term empty dwellings based on length of time, these will be measured from 1 April 2016 e.g. if the Full Council decides that a 100% Council Tax premium will be charged if the property has been empty for 4 years or more – this will only come into effect on 1 April 2020. Will such a stepped approach with incremental increases applying over time be a successful additional tool in bringing such properties back into use?
- 3.9 **How will charging a Council Tax premium on the standard council tax charge for a dwelling on the Island compare to council tax payable by owners who have their sole or main residence elsewhere?** The average Band D Council Tax set by local authorities (including parishes) in England for 2015/16 is £1,484; for Police and crime commissioners £164 and Fire and rescue authorities £68 giving a total of average Band D of **£1,716**. (For Greater Manchester the average Band D is £1,694 and for Merseyside the average Band D is £1,759). The average Band D for the Island in 2015/16 was **£1,296**, (for Wales £1,327) including Police and crime commissioner and town/community councils.
- 3.10 Will account have to be taken of these variances when deciding to charge a Council Tax premium or not and if so, what the percentage level should then apply? How will this influence owners of long-term empty dwellings and second homes on the Island in their treatment of their properties e.g. change use to holiday rental, sell/rent property or no effect whatsoever?

- 3.11 How are long-term empty dwellings and second homes treated in England and Scotland for discounts and premiums?** In England, local authorities can reduce the standard discount for empty properties and second homes from 50% to 0%. English authorities have the power to increase council tax on properties which have been “unoccupied and substantially unfurnished” for over 2 years. English authorities can then charge up to a maximum 50% premium on the standard Council Tax on such properties.
- 3.12** In Scotland, local authorities can reduce the standard discount for empty property and second homes from 50% to 10%. An Empty Home Premium up to 100% can be charged in Scotland on unoccupied and substantially unfurnished property which have been empty for over 1 year.
- 3.13** In Wales, local authorities have the power to reduce the standard discount for empty property and second homes from 50% to 0%. As regards long-term empty dwellings the law (as regards charging a Council Tax Premium) is equivalent to Scotland but Welsh local authorities can also charge a premium of up to 100% of the standard Council Tax on second homes where there is no permanent resident but must give at least 12 months’ notice of their intention to introduce a second home charge. Does the power to curtail the discounts and charge a premium on long-term empty dwellings and second homes in Wales, will mean that the Council Tax for such properties will now more closely resemble a property tax than a personal tax for local services?
- 3.14** The ability to charge Council Tax premiums in England and Scotland has been in place since April 2013. Council Tax premiums only apply to long-term empty property and recent reviews of their policy to charge a 50% Council Tax premium by certain councils show that there has been success in returning long-term empty property to use (being an usefull additional tool for Empty Homes Officers), but proved more controversial than expected involving appeals to Valuation Tribunals against the setting of the Council Tax Premium and also evidence of additional administrative work resulting from exception applications and inspection of properties and in the enforcement of payment. The number of taxpayers having difficulties in paying was small but evidence shows increase use of charging orders to secure the debt until property is sold.
- 3.15** The introduction of Council Tax premiums has required the employment of additional temporary staff (including agency staff) and additional part-time and full-time staff However, the Council Tax premium on long-term empty properties also generated additional income to the Collection Fund (in England the additional income is also distributed to crime commissioners and parishes – this will not apply in Wales). Unlike England and Scotland, Welsh local authorities have also been given discretionary powers by the Welsh Government to charge a Council Tax premium on second homes. It is likely that additional administrative work will be required to ensure that the tax base reflects the correct status of a long-term empty dwelling or second home as to whether a premium can be charged and also, this may involve additional enforcement resource to collect the premium.
- 3.16** The Authority will also have to consider whether the same premium percentage should be charged for long-term empty property and second homes and if a decision is made to have different percentages, how will owners respond?
- 3.17** The tourism industry makes a significant contribution to the economy of the Island. Nearly 300 properties are used for holiday lettings which are classified as businesses and as such, will not be affected by the these changes to introduce Council Tax premiums. Will the introduction of a Council Tax Premium on second homes influence owners of such properties to classify their property as holiday lettings and therefore be classified as businesses? However, it should be noted that the option to reclassify a property as a busnes property is open to owners currently, but only 11% of the owners of second homes have chosen to take up this option.

3.18 The following section having regard to the main issues listed above, provides various options for the Full Council to consider on whether to charge premiums or not, and if so decide on the percentage levels of the Council Tax premium for long-term empty property and second homes.

4. Determinations on Council Tax premiums

4.1 Determination 1:

4.1.1 The Full Council will need to decide whether it wishes or not to introduce a Council Tax premium for long-term empty dwellings and second homes. By not introducing such premiums the Full Council will be confirming the status quo of charging the full standard Council Tax on long-term empty dwellings after 6 months and on second homes from day one when the dwelling is not used as person's sole or main residence.

4.1.2 By introducing such premiums the Full Council will be agreeing to a premium being charged on top of the full standard Council Tax on long-term empty property after 12 months (measured from 1 April 2016) and on second homes from 1 April 2017. Additional income is generated for the Council to keep and spend as it wishes and also to meet the Welsh Government's aim of bringing such property back into use of local people, having regard to the fact that the Island has 10.5% of homes having no usual residents. However, this will mean additional resources will be required to administer and enforce payment of the Council Tax premiums.

4.2 Determination 2:

4.2.1 If it is the Full Council's wish to charge a Council Tax premium on long-term empty dwellings and second homes the Full Council will then need to decide if the level of premium charged should be the same for both types of dwellings or different charges will apply, in particular, for long-term empty property based on length of time they have been empty.

4.2.2 In applying the same charge for both types of dwellings this will ease administration, be easily understood and there is no apparent advantage in changing the status of the dwelling from long-term empty to a second home and changing back again to possibly pay less Council Tax.

4.2.3 In deciding on different charges for both dwelling types this will allow the Full Council to treat them differently to prioritise and meet the Authority's aims, for example, targeting a higher percentage charge on longer-term empty dwellings to bring them back into use. Whilst meeting the Authority's aims, a more complex charging scheme will be less easy to administer, less easily understood and owners may take advantage of the different percentages set. A position could also result that a longer-term empty dwelling may have a higher Council Tax premium charge than a second home.

4.3 Determination 3:

4.3.1 If it is the Full Council's wish to charge the same percentage charge in respect of the Council Tax premium on long-term empty property and second homes, the Full Council will need to decide at what level the percentage should be, up to no more than 100% of the standard Council Tax.

4.3.2 Appendix 6 of this report informs the Full Council of the expected additional income generated by applying different percentages on top of the standard Council Tax. The Full Council when making its decision, also needs in addition to having regard to the additional income generated, take account of the following (though this may not be an exhaustive list):-

- if the charge is set at 25% or 30%, will this be sufficient incentive for owners to bring dwellings back into use by sale or rent? In particular, a Council Tax premium at this level, will mean that owners of dwellings who live in England will be paying approximately the same or still less Council Tax on their property on the Island than on their main residence (though for owners who live in Wales it will mean that they will pay 23% or 28% more on their second dwelling on the Island as compared to their main residence). If charges are set at 25% or 30%, it would seem there is little or no perceived incentive to change the domestic property to become a holiday lettings or claim a change in sole or main residence?
- if charges are set at 50%, 75% or 100% - will these provide sufficient incentives for owners to bring dwellings back into use whether for sale or rent or, will owners still be willing to pay the Council Tax premium? The higher the percentage charged the Council Tax cost on a dwelling on the Island would progressively be more than what owners pay on their main residences (at 50% – 13% more; at 75% - 37% more and 100% - 73% more for owners who live in England). For owners living in Wales the differences will be significantly more. Will percentages at this level incentivise owners to seek tax avoidance practices, such as change to business use, or claim a change of sole or main residence? Would certain owners suffer financial hardship from Council Tax premiums set at these levels and as a consequence, should the Full Council introduce before 1 April 2017 a policy guideline under Section 13A of the 1992 Act where it can use discretionary powers to reduce the council tax liability resulting from the council tax premium to such extent it thinks fit?

4.4 Option 4:

4.4.1 Having decided whether or not to charge Council Tax premiums from 1 April 2017, the Full Council is asked (if has decided to charge Council Tax premiums) before it determines its Council Tax requirement for 2018/19, it agrees that a review is undertaken on its policy of charging such premiums to establish the following –

- did the policy meet its objectives of bringing empty/second homes back into use by sale or rent?
- did the policy achieve the expected level of additional income generated and how that additional income was used;
- what impact the introduction of the Council Tax premiums had on the administration and enforcement of the premiums?
- is there evidence of increased tax avoidance?

4.4.2 Based on the outcome of this review, which may involve a further public consultation, the Full Council when determining its Council Tax requirement for 2018/19 can decide whether to vary or revoke its determination.

5. Financial Implications

- 5.1 The Authority will be able to retain any additional funds generated by implementing the premiums and amendments to the calculations of the tax base regulations will be made to facilitate this by Welsh Government. This will negate the need for the Authority's Revenue Support Grant to be adjusted as a result of the increased tax base. The additional funds generated can be spent by the Authority as it wishes, but the Welsh Government will encourage the Authority to use any additional revenue generated to help meet local housing needs, in line with the policy intentions of the premiums.
- 5.2 The Authority's internal negotiations and decisions on how the additional funds generated will be spent will apply during the 2017/18 budget setting cycle dependant on the estimated additional funds generated from the premiums determined and also on any plans and spending requirement submitted by Housing Services to meet the policy intentions of the premiums.
- 5.3 There is likely to be a requirement for an increased resource to administer and enforce collection of the Council Tax premiums, if they are introduced. This is estimated to involve an additional enquiry/visiting officer and an additional revenue/recovery officer. This will be an annual revenue cost implication of approximately £50k.
- 5.4 The Council Tax collection rates are expected to fall if Council Tax premiums are introduced. This risk is already included in the calculation of the tax base and this area will be monitored in the same way.

6. Legal Implications

- 6.1 The determination to charge a Council Tax premium under section 12A and 12B of the 1992 Act **must be made by Full Council**.
- 6.2 The Full Council is obliged to make its first determination whether or not to charge a premium on second homes before 1 April 2016 to come into effect on 1 April 2017. A determination to charge a premium in 2018 must be made before 1 April 2017 and so on.
- 6.3 To vary or revoke a determination in respect of Council Tax premiums for long-term empty and second homes can only be made before the beginning of the financial year to which the determination applies e.g. to vary or revoke a determination to charge a premium in 2018 must be made before 1 April 2018.

7. Risk Implications

- 7.1 These, indirectly have been referred to earlier in the report, but the following is a summary of the apparent risks –
 - The Council Tax data on long-term empty dwellings and second homes has not been updated regularly since the Full Council set a policy of no discounts being applied for such dwellings. The full standard Council Tax is payable on such dwellings. A recent review undertaken by a credit reference company checking their records with that of the Council established that 22% to 25% of long-term empty dwellings or second homes on Council Tax records had a medium to high risk that they were occupied as a person's sole or main residence. No Council tax premium can be charged on such properties and there is therefore a risk in estimating the additional income generated;
 - Will there be an increase in owners refusing or unable to pay the Council Tax premium?

- Will there be an increase in Council Tax premium avoidance by owners in e.g. transferring use to business rates, changing from second homes to long-term empty, attempting to market the property for sale or rent to claim an exception, claiming that the dwelling is occupied or changing sole and main residence? Will this lead to a reduction in the domestic property Council Tax Register?
- Will there be an impact on the Council's reputation?
- Will there be an increase in the number of appeals and legal challenges?
- How will this impact on the local tourism industry?

8. Equalities Implications

8.1 The Council has undertaken a consultation exercise in the limited time available on the charging of Council Tax premiums. The consultation assists the Council in satisfying the public sector equality duty in the Equality Act. The result of this consultation is given in **Appendix 8**.

8.2 The Welsh Government has compiled an equalities impact assessment following its consultation and a local equalities impact assessment has been carried out and a copy is available by application to the Finance Service (Revenues and Benefits). A Welsh Language impact assessment has also been carried out and again a copy if available by application to the Finance Service (Revenues and Benefits).

Background Documents

- Local Government Finance Act 1992 as amended by Section 7 of the Housing (Wales) Act 2014
- Council Tax (Exceptions to Higher Amounts Wales) Regulations 2015
- Council Tax (Exempt Dwellings) Order 1992
- Statutory Guidance by Welsh Government on the Implementation of Council Tax Premiums on Long-Term Empty Homes and Second Homes in Wales December 2015
- Consultation Council Tax and Long-Term Empty Homes in Wales: 31 July 2012 – 30 October 2012;
- Consultation on Discretionary Powers for local authorities to increase council tax on Second Homes: 16 September 2013 – 28 October 2013;
- Consultation Exemptions to the Council Tax Premium for Second Homes in Wales: 13 March 2015 – 13 June 2015;
- Consultation Exemptions to the Council Tax Premium for Long-term empty homes in Wales: 13 March 2015 – 13 June 2015;
- Technical consultation on the council tax (exceptions from higher amount)(Wales) regulations 2015: 16 October 2015 – 13 November 2015;
- Census 2011: KS401EW Dwellings, household spaces and accommodation type;
- Department for Communities and Local Government – Council Tax levels set by local authorities in England 2015 – 16 (revised);
- The Scottish Government “Guidance on Local Authority Discretion to: Reduce Council Tax Discount on Second and Long-Term Unoccupied Homes; and Apply an Increase to Long-term Unoccupied Homes”: 21 May 2013;
- Department for Communities and Local Government “Council Tax – Empty homes premium. Guidance for properties for sale or letting”: May 2013;
- South Lakeland District Council - Cabinet 30 October 2013 “Review of Council tax Discounts and the Council tax Premium”;
- South Somerset District Council - Full Council 27 February 2014 “Review of Council Tax Reforms – Empty Homes Premium”.

Summary of main issues

1. The Welsh Government has made primary legislation to allow local authorities to use discretionary powers to charge Council Tax premiums from April 2017 for long-term empty and second homes up to 100% of the standard Council Tax payable;
2. The additional funding generated can be retained by the local authority;
3. The Council is required to determine the level of premiums for second homes before 1 April 2016 and for long-term empty dwellings by 1 April 2017;
4. Different options are available to the Full Council to decide on the course ahead which is provided in Section. 4 of this report; and
5. The Full Council is required to take account of the aims of the Welsh Government when giving the discretion to local authorities to charge a premium and also the particular housing need and circumstances in the authority's area when deciding on whether or not to charge premiums.

Recommendations

5. The Isle of Anglesey County Council ("Full Council"), as a billing authority in Wales, decides to use its discretionary powers, under sections 12A and 12B of the Local Government Finance Act 1992 ("the 1992 Act") as inserted by the Housing (Wales) Act 2014 ("the 2014 Act") to disapply any discount(s) granted to long-term empty dwellings and dwellings occupied periodically (usually known as second homes) and apply a higher amount of council tax (called a Council Tax Premium) to come into effect from 1 April 2017.
6. The Full Council, having regard to the recommendation of the Council's Executive in its meeting on 7 March 2016, to decide on the percentage level(s) of Council Tax Premium(s) and that during 2017/18 (the first year of operation of the Council Tax premiums) a review of such premiums is undertaken by the Head of Function (Resources) and Section 151 Officer to establish if the premiums determined have met the aims of the Executive and the Full Council and whether, as a consequence, the premium levels determined need to be varied or revoked when the Full Council sets its Council Tax requirement for 2018/19. The revised premiums, if applicable, will then come into force from 1 April 2018 onwards.
7. The Full Council instructs and authorises the Head of Function (Resources) and Section 151 Officer to –
 - i. Publish a notice of its determination to charge a premium in a local newspaper within 21 days of its decision;
 - ii. To communicate its decision, also within 21 days and in particular to those affected, by publication of press notices, providing information on website pages or other avenues to raise awareness. This to include direct communication with council taxpayers who are likely to be liable for the premium and in particular to those who normally reside outside the local authority area;
 - iii. Ensure administrative arrangements are put in place to establish, before the Executive calculates the Council Tax Base for 2017/18 and the Full Council sets its Council Tax requirement for 2017/18, the estimated number of long-term empty dwellings and dwellings occupied periodically (usually known as second homes) that will be eligible to be charged a Council Tax premium under the 1992 Act, as inserted by the 2014 Act, subject to the exceptions allowed by regulations;

- v. Ensure that administrative arrangements are put in place for the proper administration and enforcement of the Council Tax premium from 1 April 2017 onwards and notes that the Executive agrees in principle (subject to the Executive's approval) to any additional resources that is deemed necessary (by the Head of Function (Resources) and Section 151 Office), to ensure that there is proper administration and enforcement of the Council Tax premium, which will initially include, establishing the estimated number of dwellings where the Council Tax premium will apply.
8. The Full Council, also instructs and authorises the Head of Function (Resources) and Section 151 Officer, that before the Executive calculates the Council Tax Base for 2017/18 and the Full Council sets its Council Tax requirement for 2017/18, the Executive and the Full Council (as a billing authority in Wales), is advised whether it needs to determine under section 13A of the 1992 Act to use its discretionary powers to reduce council tax liability resulting from a Council Tax premium being charged, to such extent it thinks fit. For fairness and transparency, should such a determination be required, advice is to be provided if the Full Council should adopt a clear policy on whether and how these powers will be used, with appropriate delegated decision making authority being provided for in the Council's Constitution but also recognising that each case is considered on its merits having taken into account the circumstances of each case.

Premium Exception Classes	Definition
Class 1.	Dwellings being marketed for sale (time limited for one year)
Class 2.	Dwellings being marketed for let (time limited for one year)
Class 3.	Annexes forming part of, or being treated as part of, the main dwelling
Class 4.	Dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation
Class 5.	Occupied caravan pitches and boat moorings
Class 6.	Seasonal homes where year-round occupation is prohibited
Class 7.	Job-related dwellings

Standard Exemption Classes

- Property that are unoccupied and substantially unfurnished for less than 6 months or 12 months if undergoing or requires structural repair to render the property habitable
- Property that is unoccupied and was, or will be, the sole or main residence of a person in detention
- Property that is unoccupied where occupation is prohibited by law
- Property that is unoccupied and held as being available for occupation by a minister of religion
- Property that is unoccupied where it was last occupied by a person who is resident elsewhere providing care
- Property that is unoccupied where it was last occupied solely by a student or students
- Property that is unoccupied, forms part of a single property which includes another dwelling and may not be let separately from that other dwelling without breach of planning control
- Where the resident is in long-term residential care or hospital
- Where the dwelling is being structurally repaired (time limited for one year)
- Where the resident has died (for up to six months after grant of probate/letters of administration)

KS401EW - Dwellings, household spaces and accommodation type

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Census 2011

Area	All categories: Dwelling type	All categories: Household spaces	Household spaces with at least one usual resident	Household spaces with no usual residents	Percentage
Anglesey Wards	34,168	34,183	30,594	3,589	10.50%
Aberffraw	718	718	629	89	12.40%
Amlwch Port	1,234	1,235	1,131	104	8.43%
Amlwch Rural	604	604	555	49	8.11%
Beaumaris	1,132	1,132	980	152	13.43%
Bodffordd	696	696	654	42	6.03%
Bodorgan	807	807	717	90	11.15%
Braint	646	646	617	29	4.49%
Bryngwran	825	825	778	47	5.70%
Brynteg	1,009	1,009	899	110	10.90%
Cadnant	652	656	609	47	7.21%
Cefni	721	721	665	56	7.77%
Cwm Cadnant	1,046	1,047	942	105	10.04%
Cyngar	930	930	891	39	4.19%
Gwyngyll	682	682	653	29	4.25%
Holyhead Town	642	645	579	66	10.28%
Kingsland	664	664	642	22	3.31%
Llanbadrig	752	752	646	106	14.10%
Llanbedrgoch	843	843	691	152	18.03%
Llanddyfnan	629	629	558	71	11.29%
Llaneilian	1,075	1,075	968	107	9.95%
Llanfaethlu	802	802	689	113	14.09%
Llanfair-yn-Neubwll	1,170	1,171	1,107	64	5.47%
Llanfihangel	916	916	859	57	6.22%
Ysgeifiog					
Llangoed	689	690	580	110	15.97%
Llanidan	844	844	773	71	8.41%
Llannerch-y-medd	866	866	802	64	7.39%
London Road	731	731	718	13	1.78%
Maeshyfryd	1,048	1,051	997	54	5.15%
Mechell	738	738	659	79	10.70%
Moelfre	662	662	491	171	25.83%
Morawelon	714	714	697	17	2.38%
Parc a'r Mynydd	542	542	520	22	4.06%
Pentraeth	916	916	804	112	12.23%
Porthyfelin	1,092	1,092	1,040	52	4.76%
Rhosneigr	853	853	489	364	42.67%
Rhosyr	1,130	1,130	986	144	12.74%
Trearddur	1,475	1,476	1,009	467	31.66%
Tudur	653	653	637	16	2.45%
Tysilio	946	946	910	36	3.81%
Valley	1,074	1,074	1,023	51	4.75%

In order to protect against disclosure of personal information, records have been swapped between different geographic areas. Some counts will be affected, particularly small counts at the lowest geographies.

**EIDDO GWAG HIRDY MOR / LONG-TERM EMPTY PROPERTY (Treth Gyngor –
Council Tax 01.02.16)**

Cymuned/Community	Nifer/Number	Cymuned/Community	Nifer/Number
Caergybi – Holyhead	118	Y Fali - Valley	15
Llangefni	71	Llanfaethlu	15
Amlwch	36	Bryngwran	15
LlanfairMathafarnEithaf	31	Llaneilian	14
Llanfaelog	31	Rhosybol	13
Llanbadrig	28	Llangristiolus a Cherrigceinwen	14
Trearddur	27	Llanddyfnan	13
Llanfairpwll	24	Llanddona	10
Biwmares - Beaumaris	24	Bodorgan	11
Rhosyr	23	Rhoscolyn	9
Porthaethwy – Menai Bridge	22	Llanfair yn Neubwll	8
LlanfihangelEsceifiog	22	Aberffraw	7
Moelfre	19	Tref Alaw	6
Llanerchymedd	19	Trewalchmai	6
Cylch y Garn	18	Llanddaniel	7
Cwm Cadnant	17	Llanidan	6
Bodedern	17	Bodffordd	6
Mechell	17	Penmynydd	5
Llangoed	16	Llanfachraeth	4
Pentraeth	16	Llaneugrad	4
		Cyfanswm - Total	784

AIL DAI / SECOND HOMES (Treth Gyngor – Council Tax 01.02.16)

Cymuned/Community	Nifer/Number	Cymuned/Community	Nifer/Number
Llanfaelog	343	Llanfaethlu	30
Trearddur	295	Llanfair yn Neubwll	28
LlanfairMathafarnEithaf	182	Mechell	27
Moelfre	119	Y Fali - Valley	27
Biwmares - Beaumaris	111	Llanfairpwll	25
Caergybi - Holyhead	106	Bodffordd	24
Llanbadrig	87	Llaneugrad	24
Rhoscolyn	72	Llanidan	23
Rhosyr	72	Llanddyfnan	21
Llangoed	71	Llanddaniel	19
Amlwch	63	Rhosybol	19
Porthaethwy – Menai Bridge	63	Llangristiolus a Cherrigceinwen	17
Cylch y Garn	50	Llanerychymedd	16
Cwm Cadnant	50	Penmynydd	16
Bodorgan	48	Bryngwran	14
Pentraeth	47	Llannfihangel Esceifiog	14
Llanddona	43	Bodedern	13
Llangefni	38	Tref Alaw	10
Aberffraw	34	Llanfachraeth	10
Llaneilian	31	Trewalchmai	9
		Cyfanswm - Total	2,311

**EIDDO GWAG HIRDYMOR / LONG-TERM EMPTY PROPERTY (Treth Gyngor –
Council Tax 01.02.16) FESUL BAND Y DRETH – BY TAX BAND**

Band y Dreth – Tax Band	Eiddo - Dwellings	Cyfateb i Band D Equivalent
A	157	105
B	144	1120
C	150	133
D	153	153
E	114	139
F	42	61
G	23	38
H	0	0
I	1	2
Cyfanswm – Total	784	743

**AIL DAI / SECOND HOMES (Treth Gyngor – Council Tax 01.02.16)
FESUL BAND Y DRETH – BY TAX BAND**

Band y Dreth – Tax Band	Eiddo - Dwellings	Cyfateb i Band D Equivalent
A	155	103
B	246	191
C	479	426
D	572	572
E	453	554
F	237	342
G	117	195
H	31	62
I	14	33
U	7	7
Cyfanswm – Total	2,311	2,485

Amcangyfrifiad o'r incwm ychwanegol (ar sail Treth Gyngor 2015/165) – Estimate of the additional income (based on 2015/16 Council Tax)

Eiddo Dwelling	Nifer Total	Cyfateb Band D Equivalent	Premium Ychwanegol – Additional Premium (%)				
			25%	30%	50%	75%	100%
Tai Gwag Empty Homes	784	743	£240,745	£288,895	£481,495	£722,240	£962,990
Ail Dai Second Homes	2,311	2,485	£805,190	£966,225	£1,610,380	£2,415,570	£3,220,760
	3,095	3,228	£1,045,935	£1,255,120	£2,091,875	£3,137,810	£4,183,750
Llai 30% Less 30%	-	-	(£313,780)	(£376,535)	(£627,560)	(£941,345)	(£1,255,125)
Incwm Ychwanegol Additional Income	-	-	£732,155	£878,585	£1,464,315	£2,196,465	£2,928,625

**Nifer o eiddo gwag fesul amser – Number of empty property by length of time
(Cronfa Data Tai Gwag : Empty Homes Database 1.4.15)**

I fyny at 12 mis Up to 12 months		1 a 2 mlynedd 1 to 2 years		2 a 3 mlynedd 2 to 3 years		3 a 4 mlynedd 3 to 4 years		Tros 4 mlynedd Over 4 years	
168	20%	163	19%	147	17%	81	9%	304	35%

CANLYNIAD YR YMGYNGHORIAD – ANALYSIS OF THE CONSULTATION

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Executive Committee
Date:	1st March, 2016
Subject:	Local Authority Homes for Older People – Setting the Standard Charge
Portfolio Holder(s):	Councillor Aled Morris Jones
Head of Service:	Alwyn Rhys Jones, Head of Adult Services
Report Author:	Alwyn Jones, Head of Adult Services
Tel:	2707
E-mail:	AlwynJones3@ynysmon.gov.uk
Local Members:	Various

A –Recommendation/s and reason/s
<p>The Local Authority needs to set the level of its Standard Charge for local authority care homes for the year April 2016 – March 2017.</p> <p>Members have determined a general guideline of a 5% increase for fees and charges. Charges in relation to local authority owned residential accommodation can be treated as an exception as it is governed by a statutory provision which sets out how it should be calculated.</p> <p>As in previous years, the cost of all the homes has been pooled to calculate an average standard charge for the homes in accordance with National Guidance.</p> <p>Caution should be taken if the standard charge is compared with that of other authorities, since despite guidance, other authorities may not have calculated the charge on exactly the same basis. However, in terms of background information, we note below the 2015/16 standard charge levels in respect of Local Authority accommodation in both Gwynedd and Conwy:-</p> <div style="text-align: center;"> <ul style="list-style-type: none"> • Gwynedd - £581.28 • Conwy - £535.00 </div> <p>During 2015/16, the Standard Charge was calculated at £648.64 per week due to an occupancy rate of 85.8% across the 5 in-house residential homes (excluding Garreglwyd). The Council decided to impose a 5% rise in the weekly standard charge and to accept the differential as a management cost in transforming in-house residential care provision. The weekly charge for residents was therefore set at £540.26 per week during 2015/16.</p> <p>In calculating the Standard Charge for 2016/17, we have again omitted the number of beds kept unoccupied at Garreglwyd Residential Home during 2015/15 as the intention is to sell the Home. The occupancy rate for the remaining 5 Council run homes during the first 9 months of 2015/16 was 89.7% based on a total of 133 beds.</p> <p>The following table calculates the estimated cost per resident week for the year to 31 March 2016.</p>

Number of Beds Available	133
Estimated Occupancy Rate	89.7%
Estimated Number of Resident Weeks	6,221

	2016/17	2016/17	2015/16
	£	£	£
Estimated Running Cost for 2016/17	4,114,030	661.31	506.62
Add – Depreciation charge	238,989	38.42	35.96
- Support Services	185,264	29.78	30.81
Less Income From Non Residential Activities	-40,000	-6.43	-33.14
	4,498,284	723.08	540.26
Increase from 2015/16 standard charge	33.84%	£182.82	

Based on the above table the estimated cost per resident week for the year to 31 March 2017 is £723.08. Acknowledging the council's decision for 2015/16 and the significant rise that a move from £540.26 to £732.66 would entail it is recommended:

- That whilst the Council acknowledges the costs incurred within residential care that the actual cost of delivery is not reflected in the charge to residents.
- That the increase for those contributing towards the cost of care is consistent with the guidance for council services and set at 5% and that a fee of £567.27 is set.

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

The standard fee is that which the Authority is obliged to charge those residents who have the **financial means to pay the full cost** of their residential care. Our planning assumption around our local self-funding population has been reviewed over recent weeks to ensure that it still remains current.

As noted in A we have considered increasing this charge to the full cost of provision, but have rejected it on the basis that this would require a significant and disproportionate increase for residents.

C – Why is this a decision for the Executive?

Local Authorities are required under Section 22 of the National Assistance Act 1948 to set the Standard Charge for their homes.

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

This decision is consistent with National Policy as outlined in section C above.

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

Yes

E – Who did you consult?**What did they say?**

1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	No Comments
2	Finance / Section 151 (mandatory)	Supportive
3	Legal / Monitoring Officer (mandatory)	Timeline did not allow for comments within timescale
5	Human Resources (HR)	
6	Property	
7	Information Communication Technology (ICT)	
8	Scrutiny	
9	Local Members	
10	Any external bodies / other/s	

F – Risks and any mitigation (if relevant)

1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	

6	Outcome Agreements	
7	Other	

FF - Appendices:

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

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Executive Committee
Date:	7 March 2016
Subject:	Independent Sector Care Home Fees for 2016/17
Portfolio Holder(s):	Councillor Aled Morris Jones
Head of Service:	Alwyn Rhys Jones, Head of Adult Services
Report Author:	Alwyn Jones, Head of Adult Services
Tel:	2707
E-mail:	AlwynJones3@ynysmon.gov.uk
Local Members:	Various

A –Recommendation/s and reason/s
<p>The Local Authority is required to review independent sector care home fees annually to coincide with Central Government’s changes to benefit and pension levels which come into effect on 06/04/16. In setting fee levels for independent sector care homes, we need to show that we have fully considered the costs of the provision in determining our standard care fees. This is done in collaboration with the other Authorities in North Wales and the Health Board by utilizing a Regional Fee Methodology.</p> <p>In order to set the weekly fees for Nursing and Residential Care, the Council has taken account of the factors noted below:-</p> <ol style="list-style-type: none"> 1. In accordance with the law and statutory guidance under section 21 of the National Assistance Act 1948, the Council is required to make arrangements for the provision of residential accommodation for people aged 18 and above who, due to their age, illness, disability or any other circumstances, need care and attention that is not otherwise available to them. Section 26 of the Act permits Councils to make such arrangements with the independent sector. <p>In discharging these functions, the Council is also required to operate under the Government’s Guidelines and Directions – the most relevant being the Choice of Accommodation Directions and “Fulfilled Lives and Supported Communities: Commissioning Framework Guidance and Good Practice” (2009). Standard 10 of the Commissioning Framework Guidance requires the Council, as a commissioner, to have understood the costs</p>

of social care services delivered directly and contracted, and to have acted to promote the sustainability of the service. Case law has clarified that commissioners should “understand” provider costs and act to promote the sustainability of the service, but this provision does not require Councils to set a fee which fully reimburses the providers for their costs; that commissioners investigate the true costs of providing care; that the nature and degree of those investigations are matters for the Council/Director of Social Services to determine.

2. The welfare of residents/service users should be considered – that services operate safely and effectively to promote the welfare of residents/service users;
3. The outcomes for the independent sector should be considered which could include factors such as the risks of closures and job losses, difficulties in recruiting and retaining staff, lack of staff training/development, lack of resources for the building itself, further loans.
4. Throughout the work of developing the methodology, considerable emphasis is placed on enhancing quality of care provided for care home residents and the numbers residing therein.
5. The regional data was compared and contrasted with the Wales Care Forum data and information on staffing hours in the Laing and Buisson Toolkit.

The North Wales Methodology has recommended an increase of between 3.77% and 4.48% across the 4 categories of care. The following fees are proposed for 2016/17 (see Appendix 2):

Category	2015/16 Fee	2016/17 Fee	Increase £	Increase %
Residential (Adults)	£465.90	£483.46	£17.56	3.77
Residential (EMI)	£509.72	£532.07	£22.35	4.39
Basic Nursing Care (Social Care Element)	£523.83	£546.27	£22.44	4.28
Nursing (EMI) (Social Care Element)	£549.00	£573.58	£24.58	4.48

The North Wales Adult Service Heads (NWASH) agreed in a meeting on 29/01/16, that the increases noted were consistent with the implementation of the fees model.

For high cost/ low volume placements increases consistent with the financial value of the increases above for residential and nursing placements was agreed. Therefore a fee

increase for specialist residential placements would be £17.56 and £22.44 for specialist nursing placements.

It will be necessary for the council to carry out consultation with local providers on the fees set. It may be necessary to consider individual submissions from providers as part of this process. Should there be clear evidence to indicate that the fee set is not sufficient in any individual case the council will need to consider exceptions to the fee rates. It is proposed that any such decisions are delegated to the Portfolio holder, Head of Finance and Head of Adult Social Care.

The Executive Committee is requested to:-

1. Adopt the North Wales Fee Methodology as implemented hitherto by the Authorities in North Wales as a basis for setting fees in Anglesey during 2016/17 (Appendix 1).
2. Approve the recommendation to increase fee levels as noted in the above table.
3. For high cost/ low volume placements increases consistent with the financial value of the increases above for residential and nursing placements was agreed. Therefore a fee increase for specialist residential placements would be £17.56 and £22.44 for specialist nursing placements.
4. In line with other Authorities, authorize the Social Services and Finance Departments to respond to any requests from homes to explore their specific accounts and to utilize the exercise as a basis to consider any exceptions to the agreed fees. Any exceptions to be agreed with Portfolio Holder, Head of Finance and Head of Adult Social Care from within current budgets.

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

Care Forum Wales (CFW) makes submissions to the North Wales Regional Fees Group annually to increase fees for the Care Homes Sector. The Forum's submission for 2016/17 can be seen in Appendix 1.

The methodology (Appendix 2) includes an analysis of the fees paid per resident/week under three main headings:

- Hotel;
- Other
- Staff costs

Nursing Homes Fees

Nursing home fees include two elements as described below:-

- The Local Authority's contribution (the **social care element**);
- The contribution by the National Health Service (referred to as **Nursing Care Contribution funded by the NHS – FNC**) and paid by the Betsi Cadwaladr University Health Board has been revised on a national level by the Welsh Government in 2013/2014.

The Nursing Care Sector in Wales has challenged the FNC rate paid by Health Boards in Wales and this has led to a legal process that remains live at present.

C – Why is this a decision for the Executive?

Local Authorities need to set care home fee levels in line with the national policy outlined in the Commissioning Guidelines published by the Welsh Government. This decision has financial implications for the Local Authority's budget and in terms of affordability in the prevailing financial climate.

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

This decision is in line with the approval to work with other Local Authorities in North Wales and to implement the North Wales Fee Methodology to set fees annually.

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

Recent trends in residential and nursing placements in Anglesey show a year on year reduction in placements. In order to meet the fee pressure noted it is considered that 17 fewer placements will be required for 2016/17. Trends indicate that it is permissible that this level of reduction will occur in 2016/17. As a result the department proposes that fee increases are supported through continued focus on supporting people to live within their own homes, and therefore maintaining the reduction in placements of this nature.

DD – Who did you consult?

What did they say?

CC-14562-LB/186954

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1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	Yearly report, fee pressure discussed and acknowledged
2	Finance / Section 151 (mandatory)	Supportive
3	Legal / Monitoring Officer (mandatory)	Timeline did not allow for comments within timescale
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	Care Forum Wales All other Local Authorities in North Wales and the Betsi Cadwaladr University Health Board with regard to the implementation of the North Wales Fee Methodology

E – Risks and any mitigation (if relevant)		
1	Economic	Sustainability of the local nursing/residential homes sector Mitigation: Implementation of the North Wales Arrangement with regard to fee setting in order to ensure consistency in determining the annual fee increase
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	The risk of legal challenge from the Care Homes Sector is mitigated by adopting a North Wales Approach to fee setting and through implementation of the North Wales Fee Methodology. Accepted that local consultation is still required.

F - Appendices:
Appendix 1 – The Reponse of the North Wales Fee Group to the presentation by Care

Forum Wales

Appendix 2 – Implement the North Wales Fee Methodology

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

None



Appendix 1

Care Home Fees 2016/17 in North Wales

Care Forum Wales represents over 400 social care providers in Wales. As you are considering your budget for 2015/16 we are writing setting out the pressures and costs on care homes for you to consider in your fee setting process.

National Minimum Wage increases

This will provide by far the biggest cost pressure on providers in 2016/17. The 2015/16 fees were calculated on the basis of the National Minimum Wage in place on 1 April 2015 of £6.50 per hour. This increased by 3.1% from 1st October 2015 to £6.70 which was recognised in a revised fee by Conwy, but no other local authority. This will increase to the National Living Wage of £7.20 from April 2016. This is an increase of 10.8% on 1 April 2015 and 7.5% on 1 October 2015. Since staffing is by far the biggest component of providers' costs this will have a significant impact which we would expect to be met in full by adjusting the staffing costs lines within the toolkit.

We also believe that dependency levels and thus safe staffing ratios have increased as has been evidenced in England by Laing & Buisson. Where care homes are paying for staffing hours over and above those accounted for in the toolkit the impact of the minimum wage increases is even greater.

Other staffing cost increases

Automatic enrolment into a pension scheme for staff aged 16-74 who an employer deducts tax and NI for has been introduced in a phased way from 1 October 2012. During the 2013/14 financial year all employers with 250+ employees are being required to roll out the scheme and smaller employers are being to put systems in place in anticipation of introduction in 2014/15. Indications so far (primarily from supermarkets) are that only a very small proportion of even low paid staff are opting out and therefore this will be an increased burden on employers.

Changes to eligibility for statutory sick pay and changes to the way benefits are calculated have also had an adverse impact on employers. For small organisations the costs of having one member of staff off on long-term sick leave and the lack of flexibility due to tax credits being calculated weekly rather than monthly has had an impact.

We are expecting to see further pressure from the withdrawal of funding for NVQ levels 3 and below for those over the age of 25 (the vast majority of the care workforce) from April 2016.



Other inflationary increases

With regard to inflation, Care Forum Wales has always asserted that RPI provides a better measure than CPI for the care sector, as 55% of the basket of goods used to calculate CPI are not purchased by the sector and included in the toolkit e.g. clothes, alcohol and spirit, sports and leisure activities and entertainment. RPI was 1.1% in 12 months to August 2015. An alternative approach would be to use individual inflation lines for food, fuel etc.

We have seen no change to the cost of buildings in the toolkit in recent years – on the assumption by local authorities that new entrants to the market were not needed. Given the creation and filling of new builds, combined with the closure of existing homes we would question this assumption. Construction costs rose by 1.3% in the second quarter of this year compared to last in addition to the rises in previous years that have not been taken into account.

Changes to the toolkit

We would repeat our concerns expressed in recent years about the return on investment baseline figures. We also remain unclear whether the listed item of maintenance of capital equipment is actually capital expenditure on maintenance. We are unclear whether or where revenue costs of repairs and maintenance are included.

Funded Nursing Care

We will make a further submission when the decision is announced with regard to the Funded Nursing Care judicial review appeal which was heard in November 2015.



The legal framework

We would remind you of the framework in which you make these decisions:

- The Fulfilled Lives, Supportive Communities Commissioning Framework and Guidance <http://wales.gov.uk/topics/health/publications/socialcare/circular/commissioningguidance/?lang=en>. We would particularly draw your attention to Standard 10: “Commissioners have understood the costs of directly provided and contracted social care services and have acted in a way to promote service sustainability.”
- The Guidance also requires in standard 4 the importance of working in partnership with others including providers: “Commissioning plans have been developed with partners and have involved all key stakeholders including users, carers, citizens and service providers in the statutory, private and third sector.”
- The Memorandum of Understanding *Securing Stronger Partnerships in Care* <http://www.wlga.gov.uk/english/health-social-services-publications/securing-strong-partnerships-in-care/> also says: “Rational fee-setting is vital to the sustainability and quality of care provision, and to the capacity of the Council to meet its full range of responsibilities and a wide range of needs, as well as to fix an acceptable level of Council Tax. It is essential that the specific issue of fee-setting is on the agenda for those regular local discussions between Council commissioners and independent providers of social care.”

These legal requirements apply to fee setting across social care including domiciliary care and all care home placements. Traditionally Care Forum Wales has provided additional evidence based on the block fees set for care homes for older people and this is what we have set out to do in this submission.

*Mary Wimbury,
Senior Policy Adviser
Decemeber 2015*

Fee Calculations 2016/17					
The figures below do not include FNC elements accepted by the Health Board					
	Fee 2015/16	Indicative Fee 2016/17	Overall % Increase	Increase per week	% Increase
INDIRECT COSTS					
Utilities (electricity, gas, TV, Council Tax, Water, Telephone)	28.00	28.00	Unchanged from 2015/16 (CPI Sept = 0%)		
Registration (Professional Membership, CRBs etc)	£1.23	£1.23	Unchanged from 2015/16 (CPI Sept = 0%)		
Recruitment	£2.38	£2.38	Unchanged from 2015/16 (CPI Sept = 0%)		
Contract maintenance of equipment	£3.45	£3.45	Unchanged from 2015/16 (CPI Sept = 0%)		
Maintenance of capital equipment	£21.17	£21.17	Unchanged from 2015/16 (CPI Sept = 0%)		
Gardener /handyman	£7.97	£8.65	2015/16 figure + 8.5% increase in NLW		
Furniture/Fittings including repairs and renewals	£12.77	£12.77	Unchanged from 2015/16 (CPI Sept = 0%)		
Training	£2.37	£2.37	Unchanged from 2015/16 (CPI Sept = 0%)		
Non prescription medical supplies	£3.57	£3.57	Unchanged from 2015/16 (CPI Sept = 0%)		
Insurance	£5.96	£5.96	Unchanged from 2015/16 (CPI Sept = 0%)		
Groceries & household provisions	£27.55	£27.55	Unchanged from 2015/16 (CPI Sept = 0%)		
Total Indirect Costs	£116.42	£117.10			
Other Costs -standard for all categories of care					
Return on Investment	£97.79	£97.79	Unchanged from 2015/16		
Additional Expenses (not covered elsewhere)	£17.38	£17.38	Unchanged from 2015/16 (CPI Sept = 0%)		
Sub Total	£115.17	£115.17			
RESIDENTIAL STAFF COSTS					
Management /Admin	£46.41	£47.42	2015/16 figure + 2.2% increase		
Care Staff	£150.67	£163.38	2015/16 figure + 8.5% increase		
Domestic Staff	£37.23	£40.39	2015/16 figure + 8.5% increase		
Sub Total	£234.31	£251.19			
TOTAL RESIDENTIAL	£465.90	£483.46		£17.56	4.92%
EMI RESIDENTIAL					
Local/Central admin costs (e.g. office rent)	£46.41	£47.42	2015/16 figure + 2.2% increase		
Care Staff	£194.49	£211.99	2015/16 figure + 8.5% increase		
Domestic Staff	£37.23	£40.39	2015/16 figure + 8.5% increase		
Sub total	£278.13	£299.80			
TOTAL EMI RESIDENTIAL	£509.72	£532.07		£22.35	4.38%
NURSING					
Local/Central admin costs (e.g. office rent)	£46.41	£47.42	2015/16 figure + 2.2% increase		
Care Staff	£208.60	£226.19	2015/16 figure + 8.5% increase		
Domestic Staff	£37.23	£40.39	2015/16 figure + 8.5% increase		
Sub total	£292.24	£314.00			
TOTAL NURSING	£523.83	£546.27		£22.44	4.28%
EMI NURSING					
Local/Central admin costs (e.g. office rent)	£46.41	£47.42	2015/16 figure + 2.2% increase		
Care Staff	£233.77	£253.50	2015/16 figure + 8.5% increase		
Domestic Staff	£37.23	£40.39	2015/16 figure + 8.5% increase		
Sub total	£317.41	£341.31			
TOTAL EMI NURSING	£549.00	£573.58		£24.58	4.28%

ISLE OF ANGLESEY COUNTY COUNCIL	
COMMITTEE:	Executive Committee
DATE:	1st March 2016
TITLE OF REPORT:	Community based Non-residential Social Care Services – 2016/17 charges & Fees
PURPOSE OF THE REPORT:	Confirm the charging policy and fees in respect of non-residential community based services during 2016/17
Contact Officers:	Alwyn Rhys Jones, Head of Adult Services
REPORT BY:	HEAD OF ADULTS SERVICES
CORPORATE DIRECTOR:	Caroline Turner
Portfolio Holder:	Cllr. Aled Morris Jones

A –Recommendation/s and reason/s	
1.0	Background
1.1	It is usual practice to review the charges in respect of domiciliary services annually to coincide with Central Government revision of benefit and pension levels which will apply this year from Wednesday 6 April, 2016.
1.2	The Social Care Charges (Wales) Measure and associated Statutory Regulations and Guidance – that came into force in April 2011 - enabled Authorities to continue to retain the discretion to charge for non-residential social care services.
1.3	The above revised legislative framework has established the parameters within which Local Authorities can apply charging policies in respect of all domiciliary based care services from now on. It is fair to conclude that the aforementioned measure places clear national parameters around charges with little scope for local discretion.
2.0	Review of Local Charging Policies and Practices – 2016/17
2.1	There is a maximum weekly charge of £60 for all those services that fall within the scope of the Social services & Well-being Act and for which a Local Authority makes a charge; <ul style="list-style-type: none"> • Prohibiting Local Authorities from charging for transport to day services. This puts those service users on a par with older people and people with disabilities who receive free travel under the Welsh Assembly Government concessionary fares policy; • Requiring Authorities to introduce a process for reviewing charging decisions so as to put in place a consistent way for these to be reviewed should a service user request a review.

- 2.2 The Local Authority now needs to review charging policies and practices for 2016/17 to ensure compliance with the requirements of the Social Services & Well-being Act and associated Regulations and Statutory Guidance – with effect from Wednesday 6 April 2016.
- 2.3 The Authority has historically confirmed minimum residual income levels year on year in respect of both persons of pensionable age and individuals below pension age which has ensured a protected 45% buffer over and above the income support or pension credit levels. Indeed, this has been the case since April, 2007.

2.4 Home Care Services

2.4.1 The Social Services & Well-being Act necessitates that Local Authorities set the **minimum residual income levels in respect of the coming year**. As in previous years, the Authority will need to confirm the following residual income levels having allowed for a 45% buffer together with the uplift in benefit and pension levels effective as of 06 April, 2016. Below are the residual income levels to be applied during 2016/17:-

- **Persons of Pension Age: £225.62**
- **Persons below Pension Age: £152.76**

2.4.2 AVAILABLE OPTION

The only scope within the constraints of the Social Services & Well-being Act would be to consider the propriety of applying an uplift to service users with the financial means to contribute. The table below summarises the effect of applying this principle:-

HOME CARE 2015/16 PROPOSED CHARGES

CATEGORY	2015/16 CHARGE	2016/17 CHARGE (PROPOSED)	% Increase
1. On means tested benefits – NOT receiving Higher Attendance Allowance (£82.30)	NO CHARGE	NO CHARGE	N/A
2. On means tested benefits – IN RECEIPT OF Higher Attendance Allowance (£82.30)	£14.26/week	£15.00/week*	+5%
3. Not in receipt of means tested benefits and subject to the residual income level	£60.00/week	£60.00/week (Welsh Government has increased the maximum weekly charge to £60 from April 2015)	1. National weekly charge capped by Welsh Government. 2. Subject to means test.

2.4.3 The charge noted in the above table under item 2 have been historically set by the council as a blanket charge for all individuals in receipt of Higher Attendance Allowance. The department requests permission to set this charge at the level noted above whilst requesting permission to review this position in-year. Other councils vary this charge according to an individual's ability to pay which is permissible within guidance. There is a need to do this in order to mitigate the impact of changes in charges resulting from the implementation of the Social Services & Wellbeing Act Wales.

2.5 Meals in Day Services

2.5.1 This charge applies to meals and refreshments supplied at all Day Service locations.

2.5.2 The following principles are proposed:-

- Apply a 5% increase in respect of the provision of all meals/refreshments.

The following table summarises the proposed charges.

PROVISION OF MEALS: 2016/17 PROPOSED CHARGES

	2015/16 Charges	2016/17 (Proposed Charges)
Meals in Day Services for adults (excluding people with Learning Disabilities)	£5.25	£5.50
Mid-day snack in day services for people with Learning Disabilities	£2.15	£2.25
Other Refreshments (tea / coffee/ cake) in day services	£1.20	£1.25

2.6 Telecare Charges

2.6.1 The following factors must be taken into account when determining a fair charge for the Telecare service:

- Local Authority Contribution to the Regional Monitoring Galw Gofal Service;
- Maintenance charges;
- Telecare equipment costs;
- Finance and Administration costs;
- Installation costs;
- Costs of recycling equipment;
- Costs of bi annual Health & Safety visual checks ;
- Impact on current business.
- Transformation of Adults' Services.

2.6.2 The aim is to develop a charging structure that balances the identified benefits of people being able to remain independent at home, the demand for the service and the levels of subsidy that the Council is able to provide. Charging and policy interfaces with regulations associated with the Social Care Charges (Wales) Measure requirements, Supporting People Programme Charging Policy requirements, CHC grant funding, historical Community Alarm/Telecare charging and Telecare grant arrangements and the practicalities of assessment and collection all need to be considered.

2.6.3 This is an area of development within preventative services for older people and forms part of the Local Authority's Commissioning Strategy. It is proposed that the charges levied in respect of 2015/16 are increased by 5%.

TELECARE: 2015/16 PROPOSED CHARGES

Equipment	2015/16 Charges) £	(Proposed 2016/17 Charges) £
Ynys Môn Service Users pre 2007	£1.98	£2.08
Basic Telecare (Tier 1) packages	£3.31	£3.48
Environmental Telecare (Tier 2) packages	£6.61	£6.94
Personal Care Telecare (Tier 3) packages	£6.61	£6.94
Installation Charge	One off charge of £38.59 for installation of equipment	One off charge of £40.52 for installation of equipment
Elements included in the above charges		
Annual Monitoring Charge	£1.20	£1.26
Annual Maintenance Charge	£0.66	£0.69

2.6.4 There are complex charging arrangements in the area of Telecare. A review of these charges is on-going with a view to potential further changes in 2016/17 to simplify the arrangements. The executive are asked to agree in principle that a review of telecare charges can occur in 2016/17 with a view to implementation following appropriate consultation. In the meantime it is recommended that the charges noted above will apply.

2.7 Direct Payments

2.7.1 Direct Payments enable individuals to purchase the assistance on services that the Local Authority would otherwise have provided. Direct Payments support independent living by enabling individuals to make their own decisions and have control over their own lives. In Wales, the Scheme has gradually been extended to include:-

- Older People
- Carers

- Parents of Children with Disabilities
- Adults with Disabilities

2.7.2 The Direct Payment level of £10.50/hour was set in 2010. It is proposed that this level is maintained in respect of 2016/17. A basic assessment of performance in-year indicates that this remains appropriate.

2.8 Modernisation of Blue Badge Scheme in Wales

2.8.1 It is recommended that a charge of £10 / badge levied in respect of organisational and replacement badges (lost / stolen) effective as of 1 April, 2012, be levied in respect of 2016/17.

2.9 Purchasing Day Care Services in Independent Residential Care Homes

2.9.1 The charge for purchasing day services was £28.92 in 2015/16. We propose to increase the fee by 5% to £30.37 to be consistent with increases in council charges. This increase will help to ensure the sustainability and continuation of day care services purchased from independent residential care homes in order to meet the individual needs of the service user and their choice of provider.

3. Domiciliary Care Fees

3.1 At present adult social care commissions domiciliary care from the independent sectors at a unit cost of £14.50 for every hour or every hour part thereof an hour. No increase was given to this fee in 2015/16 with fees remaining static for the first time in a number of years.

3.2 There is a need to acknowledge pressures within the sector in 2016/17 consistent with those within residential care. The majority of these relate to employment costs.

3.3 Consideration of a fee increase of approximately 7% would be required to meet this. This would require the fee to be increased to £15.50.

3.4 Based upon this an additional cost of £187,249 would be required to meet this fee increase

4.0 Recommendations

The Executive Committee is requested to approve the:-

- R1 Home care charges outlined in paragraph 2.4.2 of this report.
- R2 Agree to a Revision of Home care charges in year as noted in item 2.4.3 subject to appropriate consultation
- R3 Charges for meals in day services outlined in paragraph 2.5.2.
- R4 Charges for Telecare services as outlined in paragraph 2.6.3.

R5	Agree to a revision and simplification of Telecare Charges as noted under 2.6.4 subject to appropriate consultation.
R6	Freeze the rate for Direct Payments at £10.50/hour as outlined in paragraph 2.7.2 above.
R7	Maintain a charge of £10.00 for the administration in relation to blue Badge requests and replacements (see paragraph 2.8.1).
R8	Increase the fee for purchasing day care services in independent residential homes by 5% to £30.37 (see paragraph 2.9.1).
R9	Agree to an increase in fees paid for commissioned domiciliary care from £14.50 to £15.50 per hour or part thereof.

B – What other options did you consider and why did you reject them and/or opt for this option?
The options noted are consistent with the councils overall approach to fees and charges in 2016/17.

C – Why is this a decision for the Executive?
Decisions on Fees and charges have financial implications for the Local Authority’s budget in terms of income received and the affordability of payments made in the prevailing financial climate.

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

D – Is this decision within the budget approved by the Council?
Recommendations for meeting the additional costs of Domiciliary Care are included within Budget Proposals for 2016/17

DD – Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	Standard yearly report. Supportive of Principles
2	Finance / Section 151 (mandatory)	Supportive
3	Legal / Monitoring Officer (mandatory)	Timeline did not allow for comments within timescale

4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	

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

F - Appendices:

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