



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

GŴYS A RHAGLEN

SUMMONS AND AGENDA

ar gyfer

for a

**CYFARFOD O
GYNGOR SIR
YNYS MÔN**

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

a gynhelir yn

to be held at the

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

**COUNCIL CHAMBER
COUNCIL OFFICES
LLANGEFNI**

**DYDD IAU
10 MAWRTH 2016**

**THURSDAY
10 MARCH 2016**

→ am 2.00 o'r gloch ←

→ at 2.00 pm ←

A G E N D A

1. MINUTES

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

- 9th December, 2015 (Extraordinary)(10.00am)
- 9th December, 2015 (2.00pm)

2. DECLARATION OF INTEREST

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

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

4. PRESENTATION OF PETITIONS

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

5. 2016/17 BUDGET

a) Revenue Budget 2016/17

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

b) Capital Programme

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

c) Treasury Management Strategy Statement

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

ch) Council Tax Setting

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

d) Amendments to the Budget

To submit any amendments to the Budget of which notice has been received under Paragraph 4.3.2.2.11 of the Constitution.

(Note: All the above papers need to be considered as a single package).

6. TREASURY MANAGEMENT MID-YEAR REVIEW 2015/16

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

7. COUNCIL TAX PREMIUMS FOR SECOND HOMES AND LONG TERM EMPTY PROPERTY

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

8. LICENSING POLICY

To submit the report of the Head of Planning and Public Protection.

9. JOINT LOCAL DEVELOPMENT PLAN - TIMETABLE IN DELIVERY AGREEMENT

To submit the report of the Head of Planning and Public Protection on the process followed including reference to Welsh Language Impact Assessment and sustainability.

10. THE COUNCIL'S CORPORATE ASSET MANAGEMENT PLAN (LAND AND BUILDINGS)

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

11. URGENT EXECUTIVE DECISIONS

To report for information, the following urgent Executive decisions taken in accordance with 4.5.16.10 of the Constitution.

1. 3 February 2016 - Report - authorising regional procurement (school support) and secure best price (information in attached link).

http://www.anglesey.gov.uk/Journals/e/v/w/Binder---Capita-Sims_English_CYHOEDDUS.pdf

2. 4 February 2016 - Report - authorising release of funds to repair storm damage in leisure centres to avoid temporary closure (information in attached link).

http://www.anglesey.gov.uk/Journals/d/r/k/Leader_050216.pdf

3. 22 February 2016 - Report on Extra Care Housing Development, Llangefni to satisfy Welsh Government Grant timetable and ensure no loss of grant aid (information in attached link).

<http://democracy.anglesey.gov.uk/documents/g2978/Decisions%2022nd-Feb-2016%2009.00%20The%20Executive.pdf?T=2&LLL=0>

12. HORIZON CONSULTATION JANUARY 2016 - WYLFA NEWYDD PROJECT UPDATE AND FACTSHEETS ON TOPICS

The Chief Executive to report on the need to respond to the above, including arranging a briefing session for Members and preparation of the Council's response in consultation with group leaders.

13. EXCLUSION OF THE PRESS AND PUBLIC

To consider adoption of the following:-

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

14. PAY POLICY STATEMENT

To submit the report of the Head of Profession.

ISLE OF ANGLESEY COUNTY COUNCIL

Minutes of the special meeting held on 9 December 2015

- PRESENT:** Councillor Jim Evans (Chair)
Councillor Robert G Parry OBE (Vice-Chair)
- Councillors Lewis Davies, R Dew, John Griffith, K P Hughes, Vaughan Hughes, Victor Hughes, W T Hughes, A M Jones, G O Jones, H E Jones, Raymond Jones, R.Meirion Jones, Richard Owain Jones, Alun W Mummery, J A Roberts, Nicola Roberts, Ieuan Williams.
- IN ATTENDANCE:** Chief Executive,
Assistant Chief Executive (CT),
Assistant Chief Executive (AM),
Corporate Director of Sustainable Development,
Corporate Director of Community,
Head of Function (Council Business)/Monitoring Officer,
Chief Planning Officer (EGJ),
Major Consents Officer (S0),
Committee Officer (MEH).
- ALSO PRESENT:** Mr. Peter Hulson - Arup
- APOLOGIES:** Councillor Ann Griffith, D R Hughes, T LI Hughes, Llinos Medi Huws, Carwyn Jones, R LI Jones, Jeffrey M.Evans, Dylan Rees, Alwyn Rowlands and Dafydd Rhys Thomas.

1. DECLARATION OF INTEREST

No declaration of interest received.

2. NATIONAL GRID NORTH WALES CONNECTION PROJECT - STAGE 2 CONSULTATION

The Chair welcomed the Officers from the Planning Department and Mr. Peter Hulson from ARUP Consultants to the meeting.

The Chief Planning Officer reported that Section 42 of the Planning Act 2008 requires the 'promoter' of a NSIP (being the National Grid in this instance) to undertake pre-application consultation with a prescribed list of bodies, local authorities and those with an interest in the land affected by the project before making an application for a Development Consent Order. National Grid's current time table envisages that this statutory process of consultation and engagement will take place in late 2016.

The consultation material which is currently before the Authority and which forms part of National Grid's Stage 2 consultation, which is non-statutory in nature, together with the consultation material for the undergrounding of the Menai Straits which is scheduled to be released during Spring-Summer 2016 is aimed at informing and influencing this process. Notwithstanding the non-statutory nature of National Grid's latest consultation, the gravity and importance of which is under consideration for the Island and its residents cannot be

overemphasised and it is against this backcloth that the Authority has framed a response which is as comprehensively detailed and robust such as that which is issued by the Authority as part of its engagement in formal consultation procedures.

It was noted that the National Grid's non-statutory second stage consultation for the construction of a second 400kv high voltage electricity transmission line and pylons across Anglesey commenced on the 21st October, 2015 and will run for a period of 8 weeks until the 16th December, 2015. Formal response documentation by the Authority was attached to the report. The Authority's response has resulted in a detailed and comprehensive analysis of National Grid's submission being carried out which has resulted in some 345 separate comments.

The Major Consents Officer listed the key themes identified within the second stage consultation and gave a detailed analysis of the issues raised within each of these key themes to the County Council :-

- Prematurity and Deficiencies
- Socio-Economic
- Jobs and Supply Chain Opportunities
- Welsh Language
- Health Impact Assessment
- Cumulative impacts
- Mitigation
- Costs

It was noted that a number of comments, clarifications and requests for further information have been set out within the documentation in order that the National Grid may address the points raised where necessary and rectify deficiencies where identified.

Mr. Peter Hulson, ARUP stated that they share the Authority's concerns relating to the project definition, clarity on consenting strategy and provision of adequate community and wider stakeholder engagement on mitigation and control measures. National Grid must set out how the crossing of the Menai Straits will be consulted upon including proposed construction techniques and mitigation. Sufficient time need to be given to the local authority for adequate discussion in respect of planning requirements and measures of control together with wider compensation measures under planning obligations.

He further stated that wider detail and commitments are sought on construction programme i.e. Environmental Management, Biodiversity, Noise and Vibration, Health, Traffic and Public Rights of Way. National Grid is committed to 'back-checking' to constantly evaluate their proposals as well as evidence underpinning feasibility of full undergrounding between Wylfa and Pentir. National Grid should also consider wider opportunities to commit to reducing effects from current 400kV infrastructure alongside the proposed scheme.

Members of the full Council were unanimously that no additional electricity transmission lines and pylons, as previously stated, are to be constructed across the Island and the Menai Straits. It was stated that the National Grid should take the cables underground to connect the planned nuclear power station at Wylfa Newydd to the electricity network.

Members further stated that the National Grid should remove the 'Energy Island' logo from public documentation.

RESOLVED

- **That the Authority maintains its previously established position as of December 2012 in that no additional electricity transmission lines and pylons are constructed across the Island and the Menai Straits;**
- **That issues and concerns identified within this Consultation are addressed within the main body of the report and National Grid shall have due regard to these as part of this non-statutory consultation;**
- **That the National Grid should remove 'Energy Island' logo from all public documentation regarding the North Wales Connection Project.**

The meeting concluded at 11.10 am

**COUNCILLOR JIM EVANS
CHAIR**

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ISLE OF ANGLESEY COUNTY COUNCIL

Minutes of the meeting held on 9 December 2015

PRESENT: Councillor Jim Evans (Chair)
Councillor Robert G Parry OBE (Vice-Chair)

Councillors Lewis Davies, R Dew, Jeffrey M. Evans, Ann Griffith, John Griffith, K P Hughes, Vaughan Hughes, A M Jones, Carwyn Jones, G O Jones, H E Jones, Raymond Jones, R LI Jones, R. Meirion Jones, Richard Owain Jones, Alun W Mummery, J A Roberts, Nicola Roberts, P S Rogers, Alwyn Rowlands and Ieuan Williams

IN ATTENDANCE: Chief Executive,
Assistant Chief Executive (CT),
Assistant Chief Executive (AM),
Corporate Director of Community (GC),
Corporate Director of Sustainability (AO),
Head of Function (Council Business)/Monitoring Officer,
Head of Function (Resources)/Section 151 Officer,
Head of Corporate Transformation,
Head of Democratic Services,
Corporate Programme Manager (GM),
Revenue & Benefits Services Manager (GHJ),
Committee Officer (MEH).

ALSO PRESENT: Mr. Andy Bruce and Mr. Jeremy Evans – Wales Audit Office.

APOLOGIES: Councillor D R Hughes, T LI Hughes, T. Victor Hughes, W T Hughes, Llinos Medi Huws, Dylan Rees and Dafydd Rhys Thomas.

1. DECLARATION OF INTEREST

Councillors R. Meirion Jones and Peter S. Rogers declared a prejudicial interest with regard to Item 6 and left the meeting during discussion and voting thereon.

2. MINUTES

The minutes of the meeting held on 29 September, 2015 were confirmed as correct.

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

The Chair made the following announcements :-

- He welcomed the two new Assistant Chief Executive's Dr. Caroline Turner and Mrs. Anwen Morgan to their first meeting of the County Council.
- Congratulations were extended to the staff of the Environmental Services Department on winning the John Connoll 2015 award. Councillor R.A. Dew – Portfolio Holder for Planning and Public Protection and Officers attended an award ceremony in London.
- Congratulations were extended to Gwen Elin from Benllech on winning the Bryn Terfel Scholarship. Gwen is a Bangor University student.
- Congratulations were extended to Steffan Lloyd Owen from Pentre Berw on winning the Kathleen Ferrier Award.
- Congratulations were extended to all those who were successful at the Winter Fair held in Mona recently and the Winter Fair at Llanelwedd.
- Congratulations were extended to the Anglesey Young Farmers who competed at the Young Farmers Eisteddfod in Aberystwyth.
- The Chair thanked the staff of Blaen y Coed and Gerddi Haulfre for decorating the Christmas Tree in the main foyer of the County Council.

The Chair stated that this will be the last meeting of the County Council for Mr. Arthur Owen, Corporate Director of Sustainability and Mrs. Gwen Carrington, Corporate Director of Community. He thanked them both for their service to the Council.

The Chief Executive extended his appreciation to Mr. Arthur Owen and Mrs. Gwen Carrington for their service to the Council and wished them both well in the future.

Members of the County Council also extended their best wishes to Mr. Owen and Mrs. Carrington.

4. WELSH AUDIT OFFICE CORPORATE ASSESSMENT

The Chair welcomed Mr. Andy Bruce and Mr. Jeremy Evans from the Wales Audit Office to the meeting. Mr. Bruce stated that Mr. Huw Lloyd Jones was unable to attend the meeting due to the loss of his mother recently. Members and Officers of the County Council wished to express their deepest sympathy with Mr. Huw Lloyd Jones and his family.

Mr. Bruce gave a summary of the key areas from the Corporate Assessment to the full Council. He noted that the comments of the CSSIW and Estyn have been incorporated within this report i.e. –

- The Council performed well against a high proportion of the 2013/14 national indicators, which cover a wide range of services;
- Estyn judged that significant change and improvement had taken place over a comparatively short period, within the schools service and corporately;
- The Care and Social Services Inspectorate Wales (CSSIW) judged that, in 2013/14, the Council was in the early stages of implementing an ambitious transformation programme for both adults and children's services; and

- The Council continues to make progress in improving the Welsh language capability of its staff.

It was reported that the Welsh Audit Office has made no statutory recommendations during previous work this year and have made none within this report. However, the Auditor General has made recommendations that may be relevant to the Council in his Local Government National Reports as follows :-

Proposals for improvement :-

- The Council should review its improvement priorities to ensure that the scale of its ambitions is clear and that it reflects realistically the capacity and resources at the Council's disposal.
- The Council should ensure that its strategies for People, ICT and Asset Management are clearly linked to the Council's Corporate Plan and the associated financial strategy.
- The Council should :-
 - Further embed a culture of consistent corporate working among staff at all levels; and
 - Ensure that staff at all levels are held to account for complying with Council policies and the implementation of decisions.
- In implementing its new procurement strategy, the Council should ensure that it develops and applies the skills necessary to better manage and monitor contracts with external suppliers of goods and services.
- The Council should ensure a consistent approach to workforce planning and use the results to inform future reductions in staff.
- The Council should address systematically and, where appropriate, corporately, the recommendations and proposals for improvement included in the :-
 - Wales Audit Office reviews of the Council's arrangements to support the safeguarding of children and of the Anglesey and Gwynedd Joint Local Service Board;
 - Review of the ICT service commissioned by the Council;
 - Enforcement Notice issued by the Information Commissioner's Office;
 - Performance Evaluation Report 2013/14 issued by the Care and Social Services Inspectorate Wales; and
 - Reports produced by Internal Audit.

Members of the County Council welcomed the Wales Audit Officer Corporate Assessment and congratulated Leader of the Council, Senior Management Team and all members of the Council for the hard work in making good progress against its key improvement priorities.

RESOLVED to accept the report and the recommendations contained within as noted above.

5. 2016/17 COUNCIL TAX REDUCTION SCHEME

The report of the Head of Function (Resources)/Section 151 Officer setting out proposals for the Council Tax Reduction Scheme for 2016/17 as recommended by the Executive at its meeting held on 9 December, 2015 was presented for the Council's consideration.

It was resolved to endorse the recommendations contained within the report with regard to the Council Tax Reduction Scheme for 2016/17.

6. STANDARDS COMMITTEE - APPOINTMENT OF NEW COMMUNITY COUNCIL MEMBERS

Submitted – the report of the Head of Function (Council Business)/Monitoring Officer regarding the appointment of Community Council Members to the Standards Committee.

RESOLVED that Councillor John Chorlton – Holyhead Town Council and Councillor John Roberts – Llanfairpwll Community Council be appointed as Town/Community Council representatives on the Standards Committee with effect from the 18th December, 2015 until 17th December, 2019.

7. AREA OF OUTSTANDING NATURAL BEAUTY (AONB) MANAGEMENT PLAN REVIEW 2015-2019

Submitted – the report of the Head of Planning and Public Protection in relation to the above.

RESOLVED to adopt the reviewed management plan as required under the Countryside and Rights of Way Act 2000.

8. NOTICE OF MOTION PURSUANT TO RULE 4.1.13.1 OF THE CONSTITUTION

Submitted – the following Notice of Motion by Councillor R. Meirion Jones :-

“Following a question that was put to the Council on 14 May, 2015, the Council decided to refer the issue of protecting house and dwelling names to the Council's Language Task Group to form recommendations and a specific policy, to be submitted to the relevant committee, and the Executive Committee then resolved on 19 October, 2015 to approve the policy on house and street names and numbering which promotes the island's traditions and cultural heritage.

Following this the County Council is requested to declare its support to efforts within the Assembly and the Welsh Government to include a provision within the Historic Environment (Wales) Bill to protect the current common and historical names of

buildings and landmarks, to include houses and dwellings, and that those details will form the basis of the list of place names in the authority's area."

Councillor R. Meirion Jones stated that the Notice of Motion was on behalf of the Plaid Cymru Group as the Opposition Group.

RESOLVED that the County Council declares its support to efforts within the Assembly and the Welsh Government to include a provision within the Historic Environment (Wales) Bill to protect the current common and historical names of buildings and landmarks to include houses and dwellings.

The meeting concluded at 3.10 pm

**COUNCILLOR JIM EVANS
CHAIR**

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ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	COUNTY COUNCIL
DATE:	10 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: TEL: E-MAIL:	Marc Jones 2601 rmjfi
LOCAL MEMBERS:	n/a
A - Recommendation/s and reason/s	
<p>1. MEDIUM TERM FINANCIAL PLAN AND 2016/17 BUDGET</p> <p>1.1 Purpose</p> <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. <p>1.2 Summary</p> <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> <p>2. REVENUE BUDGET AND COUNCIL TAX 2016/17 RECOMMENDATIONS</p> <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; 	

<ul style="list-style-type: none"> • 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.

9.1. 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

13.1 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****Analyst – Alwyn Williams, Performance Analyst****Author – Gethin Morgan, Corporate Planning, Programme and Performance Manager****Head of Service – Scott Rowley, Head of Corporate Transformation****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+

1.5. This consultation followed previous consultation events held in late 2013 and 2014 where around 1400 responses have already been collated when considering our previous budget proposals for 2015/16.

2. Results

2.1. The overall response to the 16/17 initial budget proposals over a 7 week period has been fairly positive. Approximately 450 responses (0.65% of population) were received from the various channels outlined above with respondents engaging across all means.

2.2. The most successful means of engagement was the face to face focus groups and meetings with approximately 65% of all respondents in attendance. This was followed by approximately 30% responding via online surveys and the rest via traditional means. The drop in sessions across the island in the 13 various locations were deemed to be the least successful with a couple of sessions gaining zero responses.

2.3. The main areas of focus of those responses were as follows and can be visualised using the wordle below in pic 1:-

1. Waste Bin Collections and Bulky Waste Collection
2. Car Park Fees
3. Leisure Centre Cafes
4. AONB posts
5. Cuts in Education Funding
6. Grant funding cuts
7. Reduction in Management and Administration
8. Future of In-House Care Homes



Pic 1.

2.4. In general, the respondents provided a balanced consideration of the difficult task facing the Council and the remainder of this report provides a precis of the responses received:

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 under-estimates 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 Môn.”

“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 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	An equalities impact assessment will need to be conducted.
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% uplift
Maintain Current Management Capacity	Reduce of £78k saving proposal for 2016/17 by	
Increase the social work capacity	£120,810	£122,018
Increase Independent chairing	£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
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. <i>A Detailed Business Case will be required to ensure that this will result in savings as well as cost avoidance.</i>

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?

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):		

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	14,847,510	159,920	15,007,430	-730,000	0	14,277,430
Regulation	2,617,880	48,150	2,666,030	-111,000	0	2,555,030
Economic & Community Regeneration	2,094,390	53,970	2,148,360	-147,000	0	2,001,360
Corporate Transformation	3,232,250	333,770	3,566,020	-84,000	50,000	3,532,020
Resources (incl Benefits Granted)	8,802,450	60,410	8,862,860	-72,000	0	8,790,860
Council Business	1,541,150	26,910	1,568,060	-56,000	0	1,512,060
Corporate Management	716,750	5,040	721,790	0	0	721,790
JE (reserves funded)	-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	3,183,000	-1,712,000	1,471,000	-400,000	208,617	1,279,617
Funded through Reserves				-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:	COUNTY COUNCIL
DATE:	10 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

1. BACKGROUND

- 1.1 This is the schedule of Capital Bids proposed by departments for inclusion in the 2016/17 to 2020/21 Capital Programme.
- 1.2 This report was presented to SLT on 12/10/15, and to the Executive on the 9th November 2015 and on the 1st March 2016, where it is 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.

2. PROGRESS

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.

- 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.

APPENDIX A(1)

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	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
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	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	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	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	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 Llwr y Dref, Llangejni	Built in 1982, Llwr 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

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:	COUNTY COUNCIL
DATE:	10 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

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.

A - Recommendation/s and reason/s

1. This report and Annex (as detailed in the section above, sections 3 to 5 below and including Annex A) was presented to the Audit Committee on 18 February 2016. That Committee resolved to:-

- 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.

The Audit Committee did not resolve to pass any comments or recommendations on to the Executive Committee.

2. This report and Annex (as detailed in the section above, sections 3 to 5 below and including Annex A) was presented to the Executive on 1 March 2016. That Committee resolved to:-

- 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.

The Executive did not resolve to pass any comments or recommendations on to this Committee.

3. 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.

4. 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
5. 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.

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.

6. Recommendations:-

- 6.1 Note the contents of the covering report.
- 6.2 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).
- 6.3 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 Mangement Strategy Statement 2015/16 (as approved by the Council on 26 February 2015);
- Capital and revenue 2016/17 budget setting papers (as seperately 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's 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			£7.53	£46.48	£51.98
	<i>for the Band D Council Tax</i>					
4	Estimates of incremental impact of capital investment decisions on housing rents			£16.66	£16.19	£15.46
	<i>on average weekly rent levels</i>					
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.

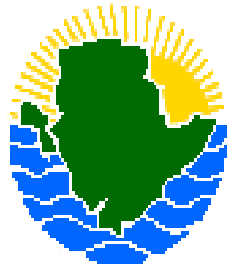
This indicator reflects the potential HRA self-financing settlement value on the same basis as for the Authorised Limit indicator.

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.



CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

**PENDERFYNIAD DRAFFT
AR OSOD
Y DRETH GYNGOR
2016/17**

**DRAFT RESOLUTION
ON SETTING
THE COUNCIL TAX
2016/17**

DRAFT COUNCIL TAX RESOLUTION

1. RESOLVED

- (a) Pursuant to the recommendations of the Executive, to adopt the Medium Term Financial Plan at Section 12 Medium Term Financial Plan and 2016/17 Budget, as a Budget Strategy within the meaning given by the Constitution, and to affirm that it becomes part of the budget framework with the exception of figures described as current.
- (b) Pursuant to the recommendations of the Executive, to adopt a revenue budget for 2016/17 as shown at Appendix 5 Medium Term Financial Plan and 2016/17 Budget.
- (c) Pursuant to the recommendations of the Executive, to adopt a capital budget as shown in the Capital Bids 2016/17 report.
- (ch) To delegate to the Head of Function (Resources) the power to make adjustments between headings in Appendix 5 Medium Term Financial Plan and 2016/17 Budget in order to give effect to the Council's decisions.
- (d) To delegate to the Executive Committee, for the financial year 2016/17, the powers to transfer budgets between headings as follows:-
 - (i) unlimited powers to spend each budget heading in Appendix 5 Medium Term Financial Plan and 2016/17 Budget against the name of each service, on the service to which it relates;
 - (ii) powers to approve the use of service and earmarked reserves to fund one-off spending proposals that contribute to the delivery of the Council's objectives and improve services;
 - (iii) powers to vire from new or increased sources of income.
- (dd) To delegate to the Executive Committee, in respect of the financial year 2016/17 and on the advice of the Head of Function (Resources), the power to release up to £500k from general balances to deal with priorities arising during the year.
- (e) To delegate to the Executive Committee in respect of the period to 31 March 2017, the following powers:-
 - (i) powers to make new commitments from future years' revenue budgets up to amount identified under New Priorities in the Medium Term Financial Plan;
 - (ii) the power and the duty to make plans for achievement of revenue budget savings implied by the Medium Term Financial Plan;
 - (iii) powers to transfer budgets between capital projects in the Capital Bids 2016/17 report and to commit resources in following years and consistent with the budget framework.
- (f) To set and approve the prudential and treasury indicators which are estimates and limits for 2016/17 and onwards as shown in the report on Treasury Management Strategy Statement 2016/17.
- (ff) To approve the Treasury Management Strategy Statement for 2016/17.
- (g) To confirm that items 1(b) to (ff) become part of the budget framework.

2. **RESOLVED** to adopt and affirm for the purposes of the financial year 2016/17 the decision of the County Council on 10 March 1998 to set the discount level applicable to the prescribed Class A and prescribed Class B of dwellings under Section 12 of the Local Government Finance Act 1992 (as amended), as described by the Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations 1998, as follows:-

Prescribed Class A	Nil Discount
Prescribed Class B	Nil Discount

3. **RESOLVED** to adopt and affirm for the purposes of the financial year 2016/17 the decision of the County Council on 6 March 2007 to set the discount level applicable to the prescribed Class C of dwellings under Section 12 of the Local Government Finance Act 1992 (as amended), as described by the Local Authorities (Calculation of Tax Base) and Council Tax (Prescribed Classes of Dwellings) (Wales) (Amendment) Regulations 2004 as follows:-

Prescribed Class C	Nil Discount
--------------------	--------------

4. That it be noted that at its meeting on 28 February 1996 the Council resolved not to treat any expenses incurred by the Council in part of its area or in meeting any levy or special levy as special expenses and that the resolutions remain in force until expressly rescinded.
5. That it is noted that a resolution of the Executive on 30 November 2015 approved the amount calculated by the Isle of Anglesey County Council for its council tax base for 2016/17 and to further note that the full Council in its meeting on the 9 December 2015 approved that the local Council Tax Reduction Scheme will continue unchanged for 2016/17.
6. At its meeting on 30 November 2015, the Executive, in accordance with the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base)(Wales) Regulations 1995 (SI1995/2561) as amended by SI1999/2935 and the Local Authorities (Calculation of Council Tax Base) and Council Tax (Prescribed Classes of Dwellings)(Wales) Amendment) Regulations 2004, resolved to approve the amounts calculated by the Isle of Anglesey County Council as its tax base and for the parts of the area, for the year 2016/17, as follows:-
- a) 30,250.23 being the amount approved by the Executive as the Isle of Anglesey County Council's council tax base for the year.
- b) The parts of the Council's area, being the amounts calculated by the Executive as the amounts of the Isle of Anglesey County Council's council tax base for the year for dwellings in those parts of its area to which one or more special items relate, are as follows:-

Amlwch	1,464.36
Beaumaris	1,036.95
Holyhead	3,798.84
Llangefni	1,894.81
Menai Bridge	1,394.41
Llanddaniel-fab	370.17
Llanddona	359.12
Cwm Cadnant	1,124.64
Llanfair Pwllgwyngyll	1,314.95
Llanfihangel Ysgeifiog	670.81
Bodorgan	436.68
Llangoed	627.71
Llangristiolus & Cerrig Ceinwen	600.12
Llanidan	397.94
Rhosyr	983.39
Penmynydd	234.82
Pentraeth	554.26
Moelfre	602.76
Llanbadrig	651.90
Llanddyfnan	486.52
Llaneilian	543.19
Llannerch-y-medd	500.27
Llaneugrad	178.60
Llanfair Mathafarn Eithaf	1,745.30
Cylch y Garn	400.92
Mechell	526.01
Rhos-y-bol	460.39
Aberffraw	292.06
Bodedern	415.17
Bodffordd	416.68
Trearddur	1,222.42
Tref Alaw	248.22
Llanfachraeth	224.69

Llanfaelog	1,218.82
Llanfaethlu	280.72
Llanfair-yn-Neubwll	562.14
Valley	961.23
Bryngwran	355.40
Rhoscolyn	337.72
Trewalchmai	355.12

7. That the following amounts be now calculated by the Council for the year 2016/17, in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-

- a)** £183,047,719 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (d) of the Act.
- b)** £ 57,830,947 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) and (c) of the Act.
- c)** £125, 216,772 being the amount by which the aggregate at 7(a) above exceeds the aggregate at 7(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year.
- ch)** £ 91,928,047 being the aggregate of the sums which the Council estimates will be payable for the year into its council fund in respect of redistributed non-domestic rates, revenue support grant and specific grant, reduced by any amount calculated in accordance with Section 33(3) of the Act.
- d)** £ 1,100.44 being the amount at 7(c) above less the amount at 7(ch) above, all divided by the amount at 6(a) above, calculated by the Executive, in accordance with Section 33(1) of the Act, as the basic amount of its council tax for the year.
- dd)** £ 1,179,318 being the aggregate amount of all special items referred to in Section 34(1) of the Act.
- e)** £ 1,061.46 being the amount at 7(d) above less the result given by dividing the amount at 7(dd) above by the amount at 6(a) above, calculated by the Executive, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates.

f) Part of the Council's area	D
Amlwch	£ 1,122.31
Beaumaris	£ 1,087.83
Holyhead	£ 1,161.86
Llangefni	£ 1,132.46
Menai Bridge	£ 1,126.72
Llanddaniel-fab	£ 1,082.13
Llanddona	£ 1,075.80
Cwm Cadnant	£ 1,089.47
Llanfair Pwllgwyngyll	£ 1,091.12
Llanfihangel Ysgeifiog	£ 1,086.06
Bodorgan	£ 1,079.78
Llangoed	£ 1,077.09
Llangristiolus & Cerrig Ceinwen	£ 1,070.62
Llanidan	£ 1,082.68
Rhosyr	£ 1,081.29
Penmynydd	£ 1,075.51
Pentraeth	£ 1,088.52
Moelfre	£ 1,080.46
Llanbadrig	£ 1,099.81
Llanddyfnan	£ 1,075.60
Llaneilian	£ 1,082.16
Llannerch-y-medd	£ 1,082.26
Llaneugrad	£ 1,083.86
Llanfair Mathafarn Eithaf	£ 1,089.96
Cylch y Garn	£ 1,076.43
Mechell	£ 1,077.60
Rhos-y-bol	£ 1,074.49
Aberffraw	£ 1,085.43
Bodedern	£ 1,080.73
Bodffordd	£ 1,076.94
Trearddur	£ 1,086.91
Tref Alaw	£ 1,080.80
Llanfachraeth	£ 1,079.59
Llanfaelog	£ 1,081.97
Llanfaethlu	£ 1,081.94
Llanfair-yn-Neubwll	£ 1,079.43
Valley	£ 1,089.43
Bryngwran	£ 1,087.35
Rhoscolyn	£ 1,068.86
Trewalchmai	£ 1,079.76

being the amount given by adding to the amount at 7(e) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 7(b) above, calculated by the Executive in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.

Valuation Bands

ff) Part of the Council's Area	A	B	C	D	E	F	G	H	I
Amlwch	£ 748.21	872.91	997.61	1,122.31	1,371.71	1,621.11	1,870.52	2,244.62	2,618.72
Beaumaris	£ 725.22	846.09	966.96	1,087.83	1,329.57	1,571.31	1,813.05	2,175.66	2,538.27
Holyhead	£ 774.57	903.67	1,032.76	1,161.86	1,420.05	1,678.24	1,936.43	2,323.72	2,711.01
Llangefni	£ 754.97	880.80	1,006.63	1,132.46	1,384.12	1,635.78	1,887.43	2,264.92	2,642.41
Menai Bridge	£ 751.15	876.34	1,001.53	1,126.72	1,377.10	1,627.48	1,877.87	2,253.44	2,629.01
Llanddaniel-fab	£ 721.42	841.66	961.89	1,082.13	1,322.60	1,563.08	1,803.55	2,164.26	2,524.97
Llanddona	£ 717.20	836.73	956.27	1,075.80	1,314.87	1,553.93	1,793.00	2,151.60	2,510.20
Cwm Cadnant	£ 726.31	847.37	968.42	1,089.47	1,331.57	1,573.68	1,815.78	2,178.94	2,542.10
Llanfair Pwllgwyngyll	£ 727.41	848.65	969.88	1,091.12	1,333.59	1,576.06	1,818.53	2,182.24	2,545.95
Llanfihangel Ysgeifiog	£ 724.04	844.71	965.39	1,086.06	1,327.41	1,568.75	1,810.10	2,172.12	2,534.14
Bodorgan	£ 719.85	839.83	959.80	1,079.78	1,319.73	1,559.68	1,799.63	2,159.56	2,519.49
Llangoed	£ 718.06	837.74	957.41	1,077.09	1,316.44	1,555.80	1,795.15	2,154.18	2,513.21
Llangristiolus & Cerrig Ceinwen	£ 713.75	832.70	951.66	1,070.62	1,308.54	1,546.45	1,784.37	2,141.24	2,498.11
Llanidan	£ 721.79	842.08	962.38	1,082.68	1,323.28	1,563.87	1,804.47	2,165.36	2,526.25
Rhosyr	£ 720.86	841.00	961.15	1,081.29	1,321.58	1,561.86	1,802.15	2,162.58	2,523.01
Penmynydd	£ 717.01	836.51	956.01	1,075.51	1,314.51	1,553.51	1,792.52	2,151.02	2,509.52
Pentraeth	£ 725.68	846.63	967.57	1,088.52	1,330.41	1,572.31	1,814.20	2,177.04	2,539.88
Moelfre	£ 720.31	840.36	960.41	1,080.46	1,320.56	1,560.66	1,800.77	2,160.92	2,521.07
Llanbadrig	£ 733.21	855.41	977.61	1,099.81	1,344.21	1,588.61	1,833.02	2,199.62	2,566.22
Llanddyfnan	£ 717.07	836.58	956.09	1,075.60	1,314.62	1,553.64	1,792.67	2,151.20	2,509.73
Llaneilian	£ 721.44	841.68	961.92	1,082.16	1,322.64	1,563.12	1,803.60	2,164.32	2,525.04
Llannerch-y-medd	£ 721.51	841.76	962.01	1,082.26	1,322.76	1,563.26	1,803.77	2,164.52	2,525.27
Llaneugrad	£ 722.57	843.00	963.43	1,083.86	1,324.72	1,565.58	1,806.43	2,167.72	2,529.01
Llanfair Mathafarn Eithaf	£ 726.64	847.75	968.85	1,089.96	1,332.17	1,574.39	1,816.60	2,179.92	2,543.24
Cylch y Garn	£ 717.62	837.22	956.83	1,076.43	1,315.64	1,554.84	1,794.05	2,152.86	2,511.67
Mechell	£ 718.40	838.13	957.87	1,077.60	1,317.07	1,556.53	1,796.00	2,155.20	2,514.40
Rhos-y-bol	£ 716.33	835.71	955.10	1,074.49	1,313.27	1,552.04	1,790.82	2,148.98	2,507.14
Aberffraw	£ 723.62	844.22	964.83	1,085.43	1,326.64	1,567.84	1,809.05	2,170.86	2,532.67
Bodedern	£ 720.49	840.57	960.65	1,080.73	1,320.89	1,561.05	1,801.22	2,161.46	2,521.70
Bodffordd	£ 717.96	837.62	957.28	1,076.94	1,316.26	1,555.58	1,794.90	2,153.88	2,512.86
Trearddur	£ 724.61	845.37	966.14	1,086.91	1,328.45	1,569.98	1,811.52	2,173.82	2,536.12
Tref Alaw	£ 720.53	840.62	960.71	1,080.80	1,320.98	1,561.16	1,801.33	2,161.60	2,521.87
Llanfachraeth	£ 719.73	839.68	959.64	1,079.59	1,319.50	1,559.41	1,799.32	2,159.18	2,519.04
Llanfaelog	£ 721.31	841.53	961.75	1,081.97	1,322.41	1,562.85	1,803.28	2,163.94	2,524.60
Llanfaethlu	£ 721.29	841.51	961.72	1,081.94	1,322.37	1,562.80	1,803.23	2,163.88	2,524.53
Llanfair-yn-Neubwll	£ 719.62	839.56	959.49	1,079.43	1,319.30	1,559.18	1,799.05	2,158.86	2,518.67
Valley	£ 726.29	847.33	968.38	1,089.43	1,331.53	1,573.62	1,815.72	2,178.86	2,542.00
Bryngwran	£ 724.90	845.72	966.53	1,087.35	1,328.98	1,570.62	1,812.25	2,174.70	2,537.15
Rhoscolyn	£ 712.57	831.34	950.10	1,068.86	1,306.38	1,543.91	1,781.43	2,137.72	2,494.01
Trewalchmai	£ 719.84	839.81	959.79	1,079.76	1,319.71	1,559.65	1,799.60	2,159.52	2,519.44

being the amounts given by multiplying the amounts at 7(e) and 7(f) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Executive, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

8. That it be noted that for the year 2016/17, the Police and Crime Commissioner North Wales has stated the following amounts in a precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

Precepting Authority

Valuation Bands

		A	B	C	D	E	F	G	H	I
Police and Crime Commissioner North Wales	£	160.08	186.76	213.44	240.12	293.48	346.84	400.20	480.24	560.28

9. That, having calculated the aggregate in each case of the amounts at 7(ff) and 8 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2016/17 for each of the categories of dwellings shown below:-

Valuation Bands

Part of the Council's Area		A	B	C	D	E	F	G	H	I
Amlwch	£	908.29	1,059.67	1,211.05	1,362.43	1,665.19	1,967.95	2,270.22	2,724.86	3,179.00
Beaumaris	£	885.30	1,032.85	1,180.40	1,327.95	1,623.05	1,918.15	2,213.25	2,655.90	3,098.55
Holyhead	£	934.65	1,090.43	1,246.20	1,401.98	1,713.53	2,025.63	2,336.63	2,803.96	3,271.29
Llangefni	£	915.05	1,067.56	1,220.07	1,372.58	1,677.60	1,982.62	2,287.63	2,745.16	3,202.69
Menai Bridge	£	911.23	1,063.10	1,214.97	1,366.84	1,670.58	1,974.32	2,278.07	2,733.68	3,189.29
Llanddaniel-fab	£	881.50	1,028.42	1,175.33	1,322.25	1,616.08	1,909.92	2,203.75	2,644.50	3,085.25
Llanddona	£	877.28	1,023.49	1,169.71	1,315.92	1,608.35	1,900.77	2,193.20	2,631.84	3,070.48
Cwm Cadnant	£	886.39	1,034.13	1,181.86	1,329.59	1,625.05	1,920.52	2,215.98	2,659.18	3,102.38
Llanfair Pwllgwyngyll	£	887.49	1,035.41	1,183.32	1,331.24	1,627.07	1,922.90	2,218.73	2,662.48	3,106.23
Llanfihangel Ysgeifiog	£	884.12	1,031.47	1,178.83	1,326.18	1,620.89	1,915.59	2,210.30	2,652.36	3,094.42
Bodorgan	£	879.93	1,026.59	1,173.24	1,319.90	1,613.21	1,906.52	2,199.83	2,639.80	3,079.77
Llangoed	£	878.14	1,024.50	1,170.85	1,317.21	1,609.92	1,902.64	2,195.35	2,634.42	3,073.49
Llangristiolus & Cerrig Ceinwen	£	873.83	1,019.46	1,165.10	1,310.74	1,602.02	1,893.29	2,184.57	2,621.48	3,058.39
Llanidan	£	881.87	1,028.84	1,175.82	1,322.80	1,616.76	1,910.71	2,204.67	2,645.60	3,086.53
Rhosyr	£	880.94	1,027.76	1,174.59	1,321.41	1,615.06	1,908.70	2,202.35	2,642.82	3,083.29
Penmynydd	£	877.09	1,023.27	1,169.45	1,315.63	1,607.99	1,900.35	2,192.72	2,631.26	3,069.80
Pentraeth	£	885.76	1,033.39	1,181.01	1,328.64	1,623.89	1,919.15	2,214.40	2,657.28	3,100.16
Moelfre	£	880.39	1,027.12	1,173.85	1,320.58	1,614.04	1,907.50	2,200.97	2,641.16	3,081.35
Llanbadrig	£	893.29	1,042.17	1,191.05	1,339.93	1,637.69	1,935.45	2,233.22	2,679.86	3,126.50
Llanddyfnan	£	877.15	1,023.34	1,169.53	1,315.72	1,608.10	1,900.48	2,192.87	2,631.44	3,070.01
Llaneilian	£	881.52	1,028.44	1,175.36	1,322.28	1,616.12	1,909.96	2,203.80	2,644.56	3,085.32
Llannerch-y-medd	£	881.59	1,028.52	1,175.45	1,322.38	1,616.24	1,910.10	2,203.97	2,644.76	3,085.55
Llaneugrad	£	882.65	1,029.76	1,176.87	1,323.98	1,618.20	1,912.42	2,206.63	2,647.96	3,089.29
Llanfair Mathafarn Eithaf	£	886.72	1,034.51	1,182.29	1,330.08	1,625.65	1,921.23	2,216.80	2,660.16	3,103.52
Cylch y Garn	£	877.70	1,023.98	1,170.27	1,316.55	1,609.12	1,901.68	2,194.25	2,633.10	3,071.95
Mechell	£	878.48	1,024.89	1,171.31	1,317.72	1,610.55	1,903.37	2,196.20	2,635.44	3,074.68
Rhos-y-bol	£	876.41	1,022.47	1,168.54	1,314.61	1,606.75	1,898.88	2,191.02	2,629.22	3,067.42
Aberffraw	£	883.70	1,030.98	1,178.27	1,325.55	1,620.12	1,914.68	2,209.25	2,651.10	3,092.95
Bodedern	£	880.57	1,027.33	1,174.09	1,320.85	1,614.37	1,907.89	2,201.42	2,641.70	3,081.98
Bodffordd	£	878.04	1,024.38	1,170.72	1,317.06	1,609.74	1,902.42	2,195.10	2,634.12	3,073.14
Trearddur	£	884.69	1,032.13	1,179.58	1,327.03	1,621.93	1,916.82	2,211.72	2,654.06	3,096.40
Tref Alaw	£	880.61	1,027.38	1,174.15	1,320.92	1,614.46	1,908.00	2,201.53	2,641.84	3,082.15
Llanfachraeth	£	879.81	1,026.44	1,173.08	1,319.71	1,612.98	1,906.25	2,199.52	2,639.42	3,079.32
Llanfaelog	£	881.39	1,028.29	1,175.19	1,322.09	1,615.89	1,909.69	2,203.48	2,644.18	3,084.88
Llanfaethlu	£	881.37	1,028.27	1,175.16	1,322.06	1,615.85	1,909.64	2,203.43	2,644.12	3,084.81
Llanfair-yn-Neubwll	£	879.70	1,026.32	1,172.93	1,319.55	1,612.78	1,906.02	2,199.25	2,639.10	3,078.95
Valley	£	886.37	1,034.09	1,181.82	1,329.55	1,625.01	1,920.46	2,215.92	2,659.10	3,102.28
Bryngwran	£	884.98	1,032.48	1,179.97	1,327.47	1,622.46	1,917.46	2,212.45	2,654.94	3,097.43
Rhoscolyn	£	872.65	1,018.10	1,163.54	1,308.98	1,599.86	1,890.75	2,181.63	2,617.96	3,054.29
Trewalchmai	£	879.92	1,026.57	1,173.23	1,319.88	1,613.19	1,906.49	2,199.80	2,639.76	3,079.72

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ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	COUNTY COUNCIL
DATE:	10 MARCH 2016
SUBJECT:	TREASURY MANAGEMENT MID-YEAR REVIEW REPORT 2015/16
PORTFOLIO HOLDER(S):	COUNCILLOR H E JONES
HEAD OF SERVICE:	MARC JONES (EXT. 2601)
REPORT AUTHOR:	GARETH ROBERTS
TEL:	01248 752675
E-MAIL:	GarethJRoberts@anglesey.gov.uk
LOCAL MEMBERS:	n/a

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

F - Appendices:

- Appendix 1 - Treasury Management Mid-Year Review Report 2015/16
- Appendix 2 - Economic performance to date and outlook
- Appendix 3 - Commentary on the latest interest rates forecasts
- Appendix 4 - Borrowing and Investment Summary – Quarters 1 and 2 2015/16
- Appendix 5 - Credit ratings of investment counterparties and deposits held with each as at 30 September 2015
- Appendix 6 - Equivalent Credit Ratings (Fitch, Moodys, S&P)
- Appendix 7 - Summary of the loans taken out to fund the HRA Settlement
- Appendix 8 - Approved countries for investments

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

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

1. Introduction

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

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

Accordingly, treasury management is defined as:-

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

2. Background

The primary requirements of the Code are as follows:

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

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

- An economic update for the first six months, and looking forward to the second half, of 2015/16;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure (prudential indicators);
- A review of the Council's investment portfolio for 2015/2016;
- A review of the Council's borrowing strategy for 2015/16;
- A review of any debt rescheduling undertaken during 2015/16;
- A summary of activity since Quarter 2;
- A look ahead to next year; and
- A review of compliance with Treasury and Prudential Limits for 2015/16.

3. Economic Update

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

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

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

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

4. Treasury Management Strategy Statement and Annual Investment Strategy Update

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

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

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

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

5.2 Prudential Indicator for Capital Expenditure

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

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

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

5.3 Changes to the Financing of the Capital Programme

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

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

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

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

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

5.4.2 Prudential Indicator – Capital Financing Requirement

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

5.4.3 Prudential Indicator – External Debt/the Operational Boundary

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

5.5 Limits to Borrowing Activity

5.5.1 The first key control over the treasury activity is a prudential indicator to ensure that, over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2015/16. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

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

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

5.5.3 A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members, currently £165m. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised limit for external debt	2015/16 Original Indicator (£m)	Current Borrowing Position as at 30 September 2015 (£m)
Borrowing	162,000	110,748
Other long term liabilities	3,000	Nil
Total	165,000	110,748

5.6 HRA Reform

5.6.1 The reform of the HRA subsidy arrangements took place on the 2nd April 2015. It involved the Council paying funds to the Welsh Government to remove the Council from the HRA subsidy system, and the payment made was £21.1m. This will impact on the capital structure of the Council, (as the HRA Capital Financing Requirement will rise by the size of the Welsh Government payment). The borrowing for this was made on the 2nd April 2015 through the Public Works Loan Board. A breakdown of the borrowing can be seen in Appendix 7.

6. Investment Portfolio 2015/16

6.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As set out in Section 3, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.5% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment, investment returns are likely to remain low.

6.2 The Council held £26.0m of investments as at 30 September 2015 (£11.0m at 31 March 2015) and the investment portfolio yield for the first six months of the year was 0.38%. A full list of investments as at 30th September 2015 can be found in Appendix 5. A summary of the investments and rates can be found in Appendix 4.

6.3 The approved limits within the Annual Investment Strategy were not breached during the first six months of 2015/16.

6.4 The Council's budgeted investment return for 2015/16 is £0.1m and performance for the year to date is in line with the budget, with £0.048m received to the end of Quarter 2.

6.5 Investment Counterparty criteria

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

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

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

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

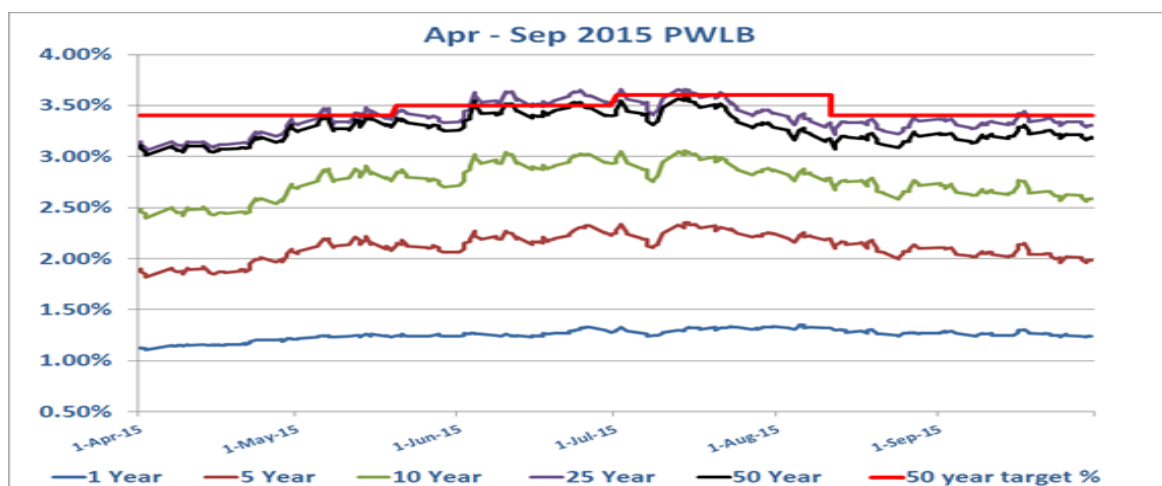
- 6.6** During the first six months of 2015/16, a fixed term investment was made with Nationwide Building Society for £5m at a rate of 0.5% for 3 months (18/08/15 – 17/11/15).

7. Borrowing

- 7.1** The projected capital financing requirement (CFR) for 2015/16 is £130.6m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive, the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The Council has projected year end borrowings of £110.7m and will have used £19.9m of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate but will require ongoing monitoring in the event that upside risk to gilt yields prevails.
- 7.2** Due to the HRA Settlement, new external borrowing of £21.169m was undertaken from the PWLB on 02/04/2015. These were taken out at different rates and for different period and amounts, and can be summarised in the table in Appendix 7.
- 7.3** It is anticipated that no further borrowing will be undertaken during this financial year.
- 7.4** The graph and table below show the movement in PWLB certainty rates (which is when the government has reduced by 20 basis points (0.20%) the interest rates on loans to principal local authorities (including the Isle of Anglesey County Council) who provide information as required on their plans for long-term borrowing and associated capital spending) for the first six months of the year to date:

PWLB certainty rates 1 April 2015 to 30 September 2015

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



8. Debt Rescheduling

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

9. Activity since Quarter Two

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

10. Plans for next year

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

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

11. Recommendation

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

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

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

1. U.K.

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

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

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

The forecast for the first increase in Bank Rate has therefore progressively been pushed back during 2015 from Q4 2015 to Q2 2016 and increases after that will be at a much slower pace, and to much lower levels than prevailed before 2008, as increases in Bank Rate will have a much bigger effect on heavily indebted consumers than they did before 2008.

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

2. U.S.

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

3. Eurozone

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

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

4. China and Japan

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

As for China, the Government has been very active during 2015 in implementing several stimulus measures to try to ensure the economy hits the growth target of 7% for the current year and to bring some stability after the major fall in the onshore Chinese stock market. Many commentators are concerned that recent growth figures around that figure, could have been massaged to hide a downturn to a lower growth figure. There are also major concerns as to the creditworthiness of much bank lending to corporates and local government during the post 2008 credit expansion period and whether the bursting of a bubble in housing prices is drawing nearer. Overall, China is still expected to achieve a growth figure that the EU would be envious of. However, concerns about whether the Chinese cooling of the economy could be heading for a hard landing, and the volatility of the Chinese stock market, have caused major volatility in financial markets in August and September such that confidence is, at best, fragile.

5. Emerging countries

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

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

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

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

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

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

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

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

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

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

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

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

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

	30 Medi / Sept 2015		30 Mehefin / June 2015	
	£m	% (paid on borrowing and received on investment)	£m	% (paid on borrowing and received on investment)
Benthycyca – graddfa sefydlog Borrowing – fixed rate	110.7	5.42	110.7	5.42
Benthycyca – graddfa amrywiol Borrowing – variable rate	Dim / Nil	d/b / n/a	Dim / Nil	d/b / n/a
Adneuon – galw hyd at 30 diwrnod Deposits – Call to 30 days	21.0	0.36	25.0	0.34
Adneuon – Tymor sefydlog < 1 bl. Deposits – Fixed Term < 1 year	5.0	0.5	0.0	nil
Adneuon – Tymor sefydlog 1 bl. + Deposits – Fixed Term 1 year +	Dim / Nil	d/b / n/a	Dim / Nil	d/b / n/a
Cyfanswm Adneuon Total Deposits	26.0	0.38	25.0	0.34
Cyfartaledd Adneuon yn y Chwarter Highest Deposits in the Quarter	33.4	d/b / n/a	32.0	d/b / n/a
Cyfartaledd Adneuon yn y Chwarter Lowest Deposits in the Quarter	25.5	d/b / n/a	11.0	d/b / n/a
Cyfartaledd Adneuon yn y Chwarter Average Deposits in the Quarter	28.0	0.34	26.5	0.34

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

Graddfeydd Credyd Gwrthbartion buddsoddi a'r adneuron a ddelir gyda phob un ar 30 Medi 2015*
Credit ratings of investment counterparties and deposits held with each as at 30 September 2015*

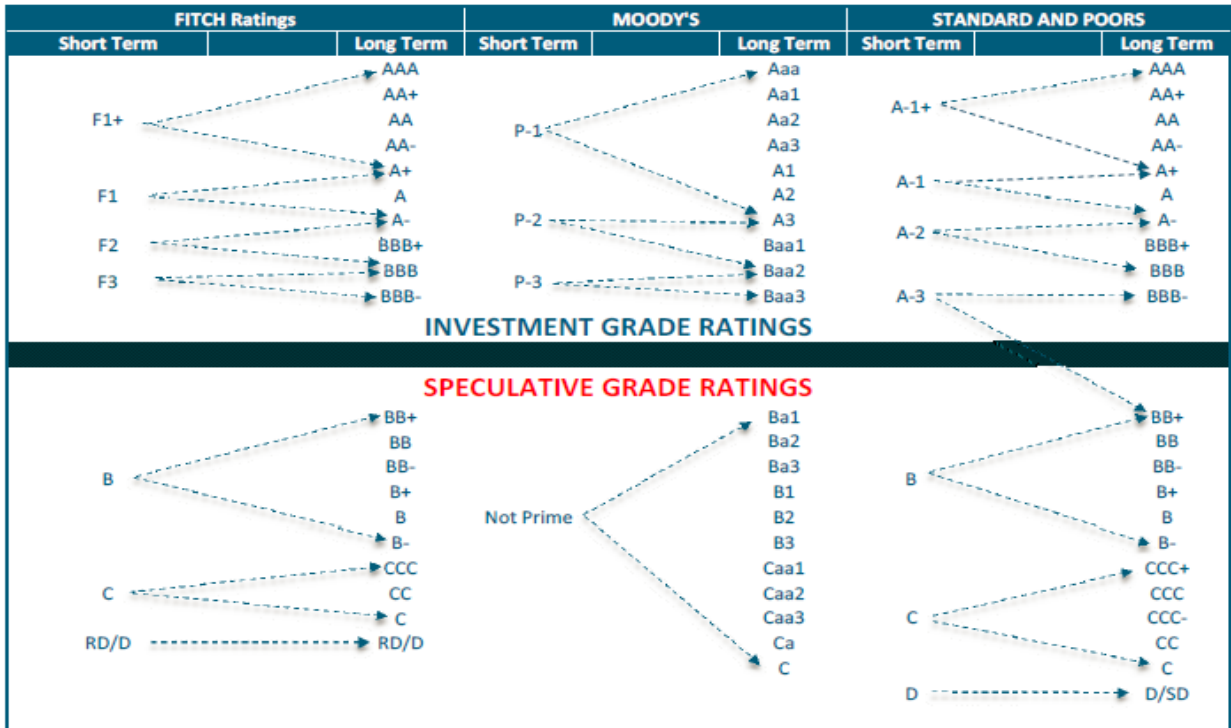
Grŵp Bancio/ Banking Group	Sefydliad/ Institution	Adneuron / Deposit £'000	Hyd (Galw tymor sefydlog) / Duration (Call / Fixed Term**)	Cyfnod (O/I)/ Period (From / To)	Graddfa Dychweliad/ Rate of Return %	Graddfa Tymor Hir Fitch Long Term Rating	Graddfa Tymor Byr Fitch Short Term Rating	Graddfa Tymor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

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

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

- Yn Atodiad 5 ceir y graddfeydd credyd cyfatebol ar gyfer y 3 asiantaeth graddio y cyfeirir atynt uchod./The equivalent credit ratings for the 3 rating agencies referred to above can be found at Appendix 6.

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



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

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

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

Approved countries for investments

Based upon lowest available sovereign credit rating

AAA

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

AA+

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

AA

- Abu Dhabi (UAE)
- Qatar

AA-

- Belgium
- France
- Saudi Arabia

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ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	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 **Appendices 4a & 4b** 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 determinations 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 Determination 4:

4.4.1 Having decided whether or not to charge Council Tax premiums from 1 April 2017, the Full Council is asked (if it has decided to charge Council Tax premiums) before it determines its Council Tax requirement for 2019/20, 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 2019/20 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 determinations are available to the Full Council to decide on the course ahead which is provided in Section. 4 of this report;
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; and
6. The Council’s Executive on the 1 March 2016 resolved to recommend to the Full Council, at its meeting on 10 March 2016:-

Recommendations

1. The Isle of Anglesey County Council (“Full Council”), as a billing authority in Wales, uses 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. That the Council Tax Premium be set at 25% of the standard rate of council tax for both long-term empty dwellings and for dwellings occupied periodically (usually known as second homes), and that a review of the Council Tax premiums be undertaken by the Head of Function (Resources) and Section 151 Officer during 2018/19 (after the first full year of operation of the Council Tax premiums) 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 2019/20. The revised premiums, if applicable, will then come into force from 1 April 2019 onwards.
3. That the Full Council instructs and authorises the Head of Function (Resources) and Section 151 Officer to –
 - i. To 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. To 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;
 - iv. To 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. That 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.

GERAINT JONES
REVENUES AND BENEFITS SERVICE MANAGER

2 MARCH 2016

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
<ul style="list-style-type: none"> 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
<ul style="list-style-type: none"> Property that is unoccupied and was, or will be, the sole or main residence of a person in detention
<ul style="list-style-type: none"> Property that is unoccupied where occupation is prohibited by law
<ul style="list-style-type: none"> Property that is unoccupied and held as being available for occupation by a minister of religion
<ul style="list-style-type: none"> Property that is unoccupied where it was last occupied by a person who is resident elsewhere providing care
<ul style="list-style-type: none"> Property that is unoccupied where it was last occupied solely by a student or students
<ul style="list-style-type: none"> 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
<ul style="list-style-type: none"> Where the resident is in long-term residential care or hospital
<ul style="list-style-type: none"> Where the dwelling is being structurally repaired (time limited for one year)
<ul style="list-style-type: none"> 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 Ysgeifiog	916	916	859	57	6.22%
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%
Maeshyfyd	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 HIRDYMOR / 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%

ANALYSIS OF THE CONSULTATION

As the consultation is to end at mid-day on 4 March 2016, the analysis will be presented separately to this report.

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Report on the response to the Consultation to charge an additional Premium on Second Homes/ Long-Term Empty property

1. Introduction

- 1.1 The Isle of Anglesey County Council has undertaken a consultation to introduce a Council Tax premium for second homes and long-term empty property. The period of the consultation was between 16 February and 4 March 2016.
- 1.2 Second homes are defined in the Local Government Finance Act 1992. The Act defines second homes as “a dwelling that is not someone’s sole or main residence and is substantially furnished”.
- 1.3 A long-term empty property is defined under the same legislation, being the Local Government Finance Act 1992 as “a dwelling that is not someone’s sole or main residence and it is substantially unfurnished”. For the purpose of charging a premium on a long-term empty property, the dwelling must be empty for a year and this is measured from 1 April 2016.

2. Why did we consult? The reasons include:-

- 2.1 We consulted on the proposal to introduce a Council Tax premium up to 100% in respect of second homes and long-term empty property.
- 2.2 Increasing the supply of affordable housing is a local and national priority. Second homes and long-term empty property can reduce the number of property available to local people.
- 2.3 The 2011 Census showed that 10.5% of the residences on the Island had their usual residences elsewhere. This varied from 1.8% in the London Road ward, Holyhead to 42.7% of property in Rhosneigr which were either empty or a second home.
- 2.4 The larger number of second homes tend to be in coastal settlements where there is a shortage of affordable homes, with a larger number of long-term empty property in the Island’s main towns. This has an impact on the number of affordable homes in these areas and generally.
- 2.5 We appreciate the contribution of the tourism industry on our local economy. It is noted that 292 properties are being used as holiday lets and are listed as businesses and therefore, this proposal will not impact on them.

3. With who has we consulted?

- 3.1 The Council has consulted with:-
- 3.2 35 Community Councils within the County
- 3.3 5 Town Councils within the County
- 3.4 Publicised on the Council’s Twitter account, which was updated daily to refresh the consultation
- 3.5 Publicised on the Council’s ‘Facebook’ page
- 3.6 Details on the Council’s web home page
- 3.7 Articles in the local press mentioning the consultation along with regional newspapers e.g. Daily Post

4. Methods of response

4.1 Those responding had a number of ways to reply to the consultation either by:-

4.2 Using the appropriate link on the Council's website which took the individual immediately to the front page of the consultation;

4.3 By downloading the form and printing at home and reply by post;

4.4 By completing the questionnaire on-line and send it by email directly to the Revenue Section, Isle of Anglesey County Council.

5. Responses on the proposal to charge a Premium on second homes and long-term empty property:-

5.1 331 replies were received in all and a summary of the responses is attached. There are up to a further 75 additional pages which include comments from those who responded to each question asked – and these can be viewed at the Revenues and Benefits Service.

5.2 The majority of the replies that run and repeat themselves through the questions oppose the intention of charging any form of premium for second homes but there is a more mixed opinion within the replies whether a Premium charge should apply for long-term empty property. A large number of the replies referred to the lack of Council services used by owners of second homes or long-term empty property and also the money that was spent within the local community by such owners. This meant money spent at local restaurants, public houses, garages along with using local workers with regard to maintenance of such properties. There was an almost universal response that to charge any level of premium would have a negative effect on the local economy and tourism. Here are examples of the responses:-

- *“There is a basic problem in the proposal. Second homes bring in income to the Isle of Anglesey; empty properties do not. Second homes may be let when the owner is not in residence and both when let, and when the owner is in residence, this benefits local traders, businesses and industries - particularly the tourist industry. In addition, second homes already pay 100% Council Tax whereas long-term empty homes normally pay little or nothing for the first year.*

In fairness and recognising that second homes have a positive benefit, second homes and long-term empty properties should therefore be considered as two separate categories. Whilst it may make sense for the Council to derive income from long-term empty properties, and also to encourage their use and occupation and hence added benefit for local traders and businesses, it is likely to be counter-productive to penalise those second homes which are already well used.”

- *“Holiday and second homes should be afforded a discount as per Government guidelines of up to 50% and not be penalised. Council tax is for the provision of local services which, for second homes, are not used in their entirety supporting a logical discount. Tourism supplements coastal areas and the communities to a significant level, the impact holiday homes has on affordable house prices is a poor argument, no matter the cost, and potential home owners need work and a sustainable income! Surely the Council should be focusing on creating jobs rather than potentially decimating the tourist industry! This smells of another poorly thought through local government initiative with no forethought to cause and effect.”*
- *“I believe that any second home owners would look at raising their prices to reflect the difference you may impose thus making Anglesey a less attractive tourist destination. Some may even sell their properties and choose to move their holiday letting businesses elsewhere which would be bad for the tourist and general economy on the island. The reality is that even if all of the holiday homes in Rhosneigr were made available for local residents, the majority of them could not afford the properties. You could lessen the impact by not doing it!”*

- *Many second home owners have spent large amounts of money renovating run down properties and bringing them back up to a modern standard. It would be penalising those second home owners and discourage others from putting money into these properties. We bought a run down tiny cottage for our own use. We use it every weekend from Friday to Monday. We have re wired, installed a shower, replaced leaking gutters and fascias and fully decorated and carpeted. The garden was a complete wilderness it is now a pleasant and tidy garden much improving the look of the street. The cottage had been on the open market for more than 6 months with no offers from local people. We have used all local people for the renovation as well as putting an enormous amount of time and effort into the refurbishment. We shop locally and feel we add to the local community as well as benefitting ourselves as we love Anglesey so much. If the Council Tax were to be doubled this would possibly mean our selling up. The market could well be flooded with homes that second home owners would have to sell. Young people struggle to obtain mortgages and I am not sure that this would benefit those people. I understand that new homes need to be made available to young people to enable them to remain in their communities but that can only work if there are jobs available to support them and their families. Young people living locally and living on benefits is not the answer. Jobs are needed not penalising second home owners. Capping the increase to say 25% would give funds to the Council without impacting too much on those second home owners who do give something back to the communities that they love.”*
- *“If people have to pay for their 2nd home they may be more likely to rent it out or sell”*
- *“I don't have all the facts and figures but imagine rich people with two houses won't sell up due to 500 or 1000 quid extra a year”*
- *“logic suggests it will reduce the supply of holiday accommodation. however if the supplementary charge is so drastic as to cause a mass sell off of second homes price levels on the Island might fall far enough to make investment for private rental a more attractive proposition.”*
- *“I don't think a 100% increase would have a great impact on house prices. The local people generally can't afford the house prices anyway. Why penalise people who bring money into the village and risk losing it”*
- *“Y farchnad sydd yn penderfynnu prisiau tai ac eiddo, Mae,n amhosib i ddarogan beth fydd y prisia hyn yn y dyfodol yn fy marn I”*
- *“As a resident of the Isle of Anglesey since birth and now a young person employed in the Island I am struggling to be able to afford a deposit to buy my first home in the area that I have lived and grown up in, as the house prices are pushed higher and higher by people buying these homes for their second/ holiday home - and then leave them empty for most of the year. If this continues I may be forced to leave a job I love and my home just to be able to afford to buy my own home. If something isn't done about this soon the beautiful Island that I call home may be forced to 'shut down' and only 'open' during the holiday season, much like a holiday camp!*

I strongly believe that if a tax is imposed upon second homes and homes that are left empty for most of the year, people will think twice about buying them and therefore the house prices should be made more affordable for those of us who live and work here all year long.”

- *“The council has not indicated how it would use the revenue from the council tax premium and what level they anticipate. Without a clear business model, it can only be construed that a punitive charge will have a negative effect as it will seek to artificially distort the market.*

If you told us how much money you are going to raise, how and where you are going to spend it, then I might be able to offer some suggestions as to how to mitigate the effects.

Otherwise I can only see this proposed charge as another form of selective taxation for raising general funds without a clear purpose”

- *“Bringing back' properties to be used as a main residence is a very simplistic term to a complex property ownership situation that has developed over many decades. A lot of the property in Rhosneigr, Treaddur etc was built specifically for the second home market. These properties would not otherwise exist and so it is not a question of 'bringing them back' into 'local' ownership. Similarly there is not the argument for saying their use as second homes is disadvantaging local people by keeping prices artificially high. They are an artificial adjunct to the property supply.*

When these properties were built in various waves of development from end of WW1 onwards, various 'local' land owners and builders were quite happy to accept the value it brought and this will have fed back into the island economy”






- *“I fail to see how Young people would benefit from long-term empty properties and or rental properties coming onto the housing market. They would still need to raise capital to purchase the full market asking price.*







Therefore, other than providing Anglesey Council with revenue (to enable budgets to be met) I cannot see any other individuals benefitting from the introduction of the proposed council tax increase”






- *“The extra money generated from the increase in tax should go to building affordable houses in areas where house prices are way to high like Rhosneigr for instance. i am a local lad from rhosneigr who as had to move out of my home village where i grew up as a kid due to house prices and no support from the council in helping the local people of Rhosneigr. Many of us have had to move away and are now living else where. Myself even with a good budget of £180,000 and 20% deposit couldnt get me a house in Rhosneigr. House should be built to allow us locals who have had to move away the opportunity to move back and to help the next generation of locals a chance to stay where they grew up. so many affordable houses are been built in affordable areas all over the island but the community of Rhosneigr as just been forgotten about. the poor village is a ghost town in the winter and the local business would defintly benefit by having more locals living in Rhosneigr”*
- *“There is no point in bringing back holiday homes to full time residential use if they were not built as that in the first place”*
- *“Second home owners are less of a burden on council services eg waste production, than full time residents. Seems very unfair to be charged more. Will generate bad will from people who until now have viewed the island very positively.”*
- *“Trearddur Bay has 36% second/holiday homes, however, they pay community charge at the standard rate by property size, which is collected by Anglesey Council. If this were to change I suspect the owners would declare their properties a 'business' and tax would be paid into 'central government'. Would Anglesey council then loose out?”*
- *“Mae rhan fwyaf o ail-dai 4 nein hardal ni (sef Rhosneigr) yn dai gwyliau sydd yn wag tra mae'r perchnogion yn eu prif gartrefi. Wyddwn bod rhai perchnogion eraill yn rhentu allan am gyfnod bach fel bod y tai yn wag iddyn nhw dros yr haf.”*
- *“Houses that are currently owned & used as holiday homes will not enter the supply chain for private rented accommodation, this is not the intention of the owners and they will be loath to change. The empty units that are not second homes/ holiday accommodation will be effected and the owners may be encouraged to let them however, I do not see why they would not do that anyway unless the property is not up to required standards and the owner cannot afford to improve in which case a grant should be made available repayable out of pre tax rental income”*




5.3 Here is a summary of the responses -

Council Tax - consultation 2016 - Proposal to introduce Council Tax premiums for second homes and long-term empty properties on the Isle of Anglesey




Overall, to what extent do you agree with the introduction of a Council Tax premium for second homes and long-term empty properties in the Isle of Anglesey?						Response Percent	Response Total	
1	Strongly agree					14.80%	49	
2	Agree					6.34%	21	
3	Neither					1.21%	4	
4	Disagree					7.85%	26	
5	Strongly Disagree					69.79%	231	
Analysis	Mean:	4.11	Std. Deviation:	1.51	Satisfaction Rate:	77.87	answered	331
	Variance:	2.28	Std. Error:	0.08			skipped	0

Please indicate at what level you think it would be most appropriate to set a Council Tax premium for second homes and long-term empty properties in the Isle of Anglesey.						Response Percent	Response Total	
1	Nil					64.05%	212	
2	25%					3.93%	13	
3	50%					5.14%	17	
4	75%					1.51%	5	
5	100%					12.08%	40	
6	Other (please specify):					13.29%	44	
Analysis	Mean:	2.34	Std. Deviation:	1.96	Satisfaction Rate:	26.71	answered	331
	Variance:	3.85	Std. Error:	0.11			skipped	0


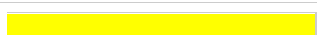

For long-term empty property, should the Authority specify different percentages (up to a maximum of 100%) based on the length of time the property has been empty?						Response Percent	Response Total	
1	Strongly Agree					14.50%	48	
2	Agree					20.54%	68	
3	Neither					14.50%	48	
4	Disagree					11.18%	37	
5	Strongly Disagree					39.27%	130	
Analysis	Mean:	3.4	Std. Deviation:	1.52	Satisfaction Rate:	60.05	answered	331
	Variance:	2.31	Std. Error:	0.08			skipped	0

What, if any, impact do you think the introduction of a Council Tax premium for second homes and long-term empty properties on the Isle of Anglesey will have for tourism on the Island?							Response Percent	Response Total
1	Positive						6.34%	21
2	Neutral						15.11%	50
3	Negative						78.55%	260
Analysis	Mean:	2.72	Std. Deviation:	0.57	Satisfaction Rate:	86.1	answered	331
	Variance:	0.33	Std. Error:	0.03			skipped	0

If you have indicated 'negative' impact please tell us how this could be lessened			Response Percent	Response Total
1	Open-Ended Question		100.00%	223
			answered	223
			skipped	108

What, if any, impact do you think the introduction of a Council Tax premium for second homes and long-term empty properties would have on the supply of private rented accommodation?							Response Percent	Response Total
1	Increase overall						20.85%	69
2	No impact						50.76%	168
3	Reduce overall						28.40%	94
Analysis	Mean:	2.08	Std. Deviation:	0.7	Satisfaction Rate:	53.78	answered	331
	Variance:	0.49	Std. Error:	0.04			skipped	0

Please use this space to make any comments on possible impacts on the supply of private rented accommodation			Response Percent	Response Total
1	Open-Ended Question		100.00%	171
			answered	171
			skipped	160

What, if any, impact do you think the introduction of a Council Tax premium for second homes and long-term empty properties would have on house prices on the Isle of Anglesey?							Response Percent	Response Total
1	Increase overall						6.04%	20
2	No impact						54.38%	180
3	Reduce overall						39.58%	131
Analysis	Mean:	2.34	Std. Deviation:	0.59	Satisfaction Rate:	66.77	answered	331
	Variance:	0.34	Std. Error:	0.03			skipped	0



Please use this space to make any comments on possible impacts on house prices			Response Percent	Response Total
1	Open-Ended Question		100.00%	182
			answered	182
			skipped	149




What, if any, impact do you think the introduction of a Council Tax premium for second homes and long-term empty properties would have on the supply of affordable housing on the Isle of Anglesey?					Response Percent	Response Total
1	Positive				12.69%	42
2	Neutral				64.35%	213
3	Negative				22.96%	76
Analysis	Mean:	2.1	Std. Deviation:	0.59	Satisfaction Rate:	55.14
	Variance:	0.35	Std. Error:	0.03		
					answered	331
					skipped	0

If you have indicated 'negative impact' please tell us how this could be lessened			Response Percent	Response Total
1	Open-Ended Question		100.00%	60
			answered	60
			skipped	271

What, if any, impact do you think the introduction of a Council Tax premium for second homes and long-term empty properties on the Isle of Anglesey will have on bringing back such properties to be used as a main residence?					Response Percent	Response Total
1	Positive				14.50%	48
2	Neutral				63.44%	210
3	Negative				22.05%	73
Analysis	Mean:	2.08	Std. Deviation:	0.6	Satisfaction Rate:	53.78
	Variance:	0.36	Std. Error:	0.03		
					answered	331
					skipped	0

If you have indicated 'negative' impact please tell us how this could be lessened			Response Percent	Response Total
1	Open-Ended Question		100.00%	59
			answered	59
			skipped	272

The Isle of Anglesey County Council will be able to retain any additional funds generated by implementing the premiums and spend that additional revenue as it wishes. The Welsh Government, however, is encouraging authorities to use the additional revenue generated to help meet local housing needs. The Authority is asking how it should spend the additional revenue generated –					Response Percent	Response Total
1	Should it use the additional revenue generated on bringing more second homes or long-term empty property back into permanent use for local residents, or				32.33%	107
2	Should the additional revenue generated be used to support all the Council's services?				67.67%	224
Analysis	Mean: 1.68	Std. Deviation: 0.47	Satisfaction Rate: 67.67		answered	331
	Variance: 0.22	Std. Error: 0.03			skipped	0

What, if any, impact do you think the introduction of a Council Tax premium for second homes and long-term empty properties on the Isle of Anglesey will have for the Welsh Language on the Island?					Response Percent	Response Total
1	Positive				11.78%	39
2	Neutral				77.04%	255
3	Negative				11.18%	37
Analysis	Mean: 1.99	Std. Deviation: 0.48	Satisfaction Rate: 49.7		answered	331
	Variance: 0.23	Std. Error: 0.03			skipped	0

If you have indicated 'negative' impact please tell us how this could be lessened			Response Percent	Response Total
1	Open-Ended Question		100.00%	29
			answered	29
			skipped	302

Please use this space to make any other comments or suggestions you have			Response Percent	Response Total
1	Open-Ended Question		100.00%	208
			answered	208
			skipped	123

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	FULL COUNCIL
Date:	10 March 2016
Subject:	To report on the Review of the Authority's Licensing Policy
Portfolio Holder(s):	Licensing section of the Trading Standards, Public Protection Department
Head of Service:	Jim Woodcock
Report Author:	Dafydd Merfyn Jones, Principal Officer
Tel:	01248 752847
E-mail:	dmjpp@anglesey.gov.uk
Local Members:	Portfolio Member Richard Dew

A –Recommendation/s and reason/s

To endorse report and adopt amended Policy – following Review of the Authority's Licensing Policy

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

The Authority is required under the terms of the Licensing Act 2003 to Review its Licensing Policy every five years. However the introduction of the Deregulation Bill plus changes in other sections of existing legislation has necessitated an early review. The Review was also conducted as part of a collaborative exercise with the other North Wales Authorities

C – Why is this a decision for the Executive?

All matters relating to Licensing Policy fall under the auspices of the Full Council

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

Yes - all activities relating to Licensing Policy are Council, as opposed to Executive functions – by virtue of Section 5 – 8 of the Licensing Act 2003

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

There is no additional cost to the Authority and the Policy could provide for an increase in income

DD – Who did you consult?

What did they say?

1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	No comment
2	Finance / Section 151 (mandatory)	No comment
3	Legal / Monitoring Officer (mandatory)	Policy approved
4	Trading Standards Environmental Health Planning Tourism Social Services	
5	Property	Agreed to evaluate applications on their own merit
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	No observations received
9	Any external bodies / other/s	Police – No comment Fire & Rescue Service Betsy Cadwaladr Health Board

E – Risks and any mitigation (if relevant)		
1	Economic	The Licensing Policy sets out the due process and the Authority's concern for the sale and supply of alcohol, regulated entertainment and late night refreshment throughout the district
2	Anti-poverty	To provide opportunities for employment across a wide range of opportunities in a safe and approved environment
3	Crime and Disorder	Control of Crime and Disorder is one of the Four main Objectives of the Act and the Authority's approved Policy
4	Environmental	Local Environment protected by Conditions
5	Equalities	An Equalities Impact Assessment was fully considered however as the Revised Policy is substantially based on the current Policy adopted in late 2013 also continues in line with the Act and general guidance no adverse impact is anticipated
6	Outcome Agreements	

7	Other	Improves collaborative working with the Emergency Services, other Responsible Authorities and other North Wales Authorities
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F - Appendices:

Appendix A - The revised Policy containing the principles, rules and guidance, method of application, public health considerations, recent legislative changes and a glossary of terms.

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

Licensing Act 2003
Deregulation Bill 2015
Home Office Guidance issued under section 182 of the Licensing Act 2003
The Live Music Act 2012
Anti-Social Behaviour Crime and Policing Act 2014



LICENSING POLICY

1. Background
 2. Scope and Extent of the Licensing Act
 3. Licensing Objectives
 4. Cumulative Impact, Late Night Levy & Early Morning Restriction Orders
 5. Planning/Building Control
 6. Premises Licence (New Application, Variations & Terms and Conditions)
 7. Temporary Event Notices
 8. Personal Licences
 9. Club Premises Certificates.
 10. Operating Schedule
 11. Hours of Operation
 12. Enforcement
 13. Licensing Process
 14. Licensing Committee
 15. Additional information
- Appendix 'A' Guidance on the procedures & problem premises + Delegation Chart
- Appendix 'B' Public Health
- Appendix 'C' Mandatory Licensing Conditions
- Appendix 'D' Recent Legislative Changes
- Appendix 'E' Glossary of Terms

1. Background

1.1 The Licensing Policy Statement is based upon the Licensing Act 2003. This document sets out the policies that the Council will apply when making decisions upon applications, hearings, reviews and appeals, for:

- The sale by retail of alcohol;
- The supply of alcohol by or on behalf of a club to, or to the order of a member of the club;
- The provision of late night refreshment (supply of hot food or drink from a premises between 23.00 and 05.00 hours); and
- The provision of regulated entertainment to the public or club members or with a view to making profit including raising money for charity where the entertainment involves:
 - A theatrical performance or film exhibition
 - An indoor sporting event
 - Boxing or wrestling bouts
 - Performance of live music
 - Playing of recorded music
 - Dance performance
 - *Live Music Act – see Appendix D*

1.2 Guidance on the procedures to be followed by applicants and those making representations may be found attached as Appendix 'A'

1.3 The Isle of Anglesey is a rural area with a population of 70,000 mainly centered around Holyhead, Llangefni, Amlwch and Beaumaris surrounded in turn by numerous villages each with their own individual character. It has 129 miles of coastline and attracts large amounts of visitors, especially over the main holiday periods.

1.4 There are few recognized "night clubs" or major concentration of licensed premises with village and school halls providing venues for social and cultural events. Several open air concerts and shows provide for the larger and temporary events.

2. Scope and Extent of the Licensing Act

2.1 It is the duty of the Council to carry out its functions under the Act with a view to promoting with equal importance the **Four Licensing Objectives**, expanded upon in Sections 3 to 6:

- **Prevention of Crime and Disorder;**
- **Public Safety;**
- **Prevention of Public Nuisance and,**
- **Protection of children from harm.**

2.2 It is recognised that the licensing function is only one means of securing the delivery of the above objectives. The Council will therefore continue to work in partnership with its Local Communities, the police, local businesses and all other relevant stakeholders and partners.

- 2.3** In undertaking its licensing function, the licensing authority is also bound by other legislation:
- Section 17 of the Crime and Disorder Act 1998 requires a local authority to do all that it reasonably can to prevent crime and disorder in its locality.
 - The European Convention on Human Rights, which is given effect by the Human Rights Act 1998, places a duty on public authorities to protect the rights of individuals in a variety of circumstances.
 - Health and Safety at Work Act 1974 and Health Act 2006 (Smoke free Premises 2007)
 - Environmental Protection Act 1990;
 - Disability Discrimination Act 1995 and The Anti-social Behaviour Act 2003
 - The Local Authorities (Alcohol Consumption in designated Public Places Regulations) 2001. Health Act 2006
 - Violent Crime Reduction Act 2006 and Crime and Disorder Act 1998
 - Crime and Security Act 2010 and Schedule 7 Policing & Crime Act 2009
 - Race Relations Act 1976 as amended by the Race Relations (amendment) Act 2000
 - Gambling Act 2005, The Regulatory Enforcement and Sanctions Act 2008
 - European Union Service Directive, The Provisions of Service Regulations 2009
 - The Equality Act 2010
 - Police Reform and Social Responsibility Act 2011
 - The Live Music Act 2012
 - Anti-Social Behaviour Crime and Policing Act 2014, Immigration Act

Notes: - Where existing law already places statutory obligations on applicants the Council will not impose the same or similar duties by way of condition on the premises licence or club.

- 2.4** The Licensing Authority will also seek to discharge its responsibilities identified by other Government Strategies, so far as they impact on the objectives of the Licensing Bill. Examples of these Strategies are set out below:
- Action Plan for Tackling Alcohol Related Crime, Disorder and Nuisance;
 - Safer Clubbing;
 - Local Government Regulation /Trading Standards Institute (TSI) Code of Best Practice on Test Purchasing;
 - Crime and Disorder Reduction Strategy and,
 - Enforcement Concordat.
 - The Government Alcohol Strategy presented to Parliament March 2012

Many of these strategies are not directly related to the promotion of the four licensing objectives, but indirectly impact upon them. Co-ordination and integration of such policies, strategies and initiatives are therefore important and are underlined in the Government Strategy which is expected to look at minimum unit pricing, integrating strategies of health, social services, criminal justice and education.

- 2.5** The Council would also draw attention to examples of initiatives that are relevant to licensing:
- *CCTV coverage of town centre*
 - *Exclusion Orders from Town Centre*
 - *Safer Clubbing Guide*
 - *Pub Watch & Safety Advisory Group*

- 2.6** The objective of the licensing process is to allow the carrying on of retail sales of alcohol and the provision of licensable activities in a way which ensures public safety and which is neither to the detriment of residents, or gives rise to loss of amenity. It is the Council's wish to facilitate well run and managed premises with licence holders displaying sensitivity to the impact of the premises on local residents.
- 2.7** The Council recognises that the entertainment industry on the Island is a contributor to the local economy. It attracts tourists and visitors, makes for vibrant towns and communities and is a major employer. Commercial occupiers of premises also have a legitimate expectation of an environment that is attractive and sustainable for their businesses. But there must be a balance with the needs of the residential population, whose amenity the Council has a duty to protect.
- 2.8** The Council will also have regard to wider considerations affecting the amenity of any area. These include littering and fouling, noise, street crime, the capacity of the Island's infrastructure, the Island's resources and also police resources to cope with the influx of visitors, particularly at night.
- 2.9** The Council has adopted this policy, which sets out the general approach the Council will take when it considers applications for premises and personal licences. In adopting this policy, the Council recognises that each application will be considered on its merits.
- 2.10** The purpose of the Statement of Licensing Policy is to assist officers and members in reaching a decision on a particular application, setting out those matters that will normally be taken into account. In addition, the Policy document seeks to provide clarity for applicants, residents and other occupiers of property and investors, enabling them to make plans to move to, remain or invest in the Island with some measure of certainty.
- 2.11** The Licensing Act 2003 makes provision for this policy (initially enacted in January 2005) to be consulted on and reviewed periodically however due to the introduction of the Police Reform & Social Responsibility Act 2011 the Policy was reviewed in April 2012 and subsequently in January 2013.
- The Review in December 2012 centered on the Live Music Act 2011 which came into force on the 1st October and the Late Night Levy and Early Morning Restrictions Orders enacted on the 31st October, 2012. This latest and current version was reviewed in late 2015 and enacted on the 24st February, 2016.
- 2.12** The policies will normally apply to any licence application determined after the date that the Council resolved to make these policies operational, irrespective of the date on which the application was made. This Policy applies to;
- Premises Licence
 - Club Premises Certificate
 - Personal Licence & Temporary Event Notice

- 2.13** Where the Guidance published by the Government under Section 182 of the Licensing Act 2003 is revised at any time the Licensing Authority will have regard to it where it departs from this Policy.
- 2.14** The Council will have due regard to the representations of the Public Health Authority which is one of the additional Responsible Authorities that will be consulted regarding Premises Licences. Although there is no specific Licensing Health Objective it is reasonable for a Health Authority to comment on the safety of the public within the scope of the night time economy and any strain placed on its service and resource.
- 2.15** The Council will also have due regard to the representations of the Licensing Section of the Authority which is one of the additional Responsible Authorities that will be consulted regarding Premises Licences. This will allow the Licensing Authorities to take further steps in addition to the current coordinating function and be able to refuse, remove or review licences themselves without having first received representations from another party.

3. Licensing Objectives

Prevention of Crime and Disorder

- 3.1** The Statement of Licensing Policy and the procedures and conditions that form part of the process should promote the Licensing Objectives (see Para 1.3).
- 3.2** To achieve these objectives the authority will use a full range of measures including its planning controls, transport controls, crime and disorder policies and powers. The Council will enter into partnership arrangements, working closely with the police, the fire authority, local Health Board, local businesses, community representatives and local people in meeting these objectives.
- 3.3** The Council will have regard to the Crime and Disorder Act 1998 under which it has a duty to prevent/reduce crime and disorder in the area.
- 3.4** One of the key priorities of the Council's Crime and Disorder Strategy is to reduce the level of crime in specified areas. The policy will have regard, therefore, to the likely impact of licensing on related crime and disorder on the Island, particularly when considering the location and impact and the operation and management of all proposed licence applications, renewals and variations of conditions.

The Council will have due regard to the representations of North Wales Police Service, unless there is clear evidence that these are not relevant, which is one of the Responsible Authorities that will be consulted regarding premises licence and Temporary Events Notices applications.

3.5 Safer Clubbing

The Council wishes to promote the principles of "Safer Clubbing". It will recommend the current Home Office guidance on the subject to relevant Premises Licence and Club Premises Certificate holders. Appropriate and proportional licensing conditions may be imposed to control the environment at relevant premises in support of the "Safer Clubbing" objectives.

3.6 **Drugs**

Special conditions will need to be imposed for certain types of venues to reduce the possibility of sale and consumption of drugs and to create a safer environment for those who may not have taken any cognisance of such matters, further conditions may be imposed from time to time. These conditions take into account the above-mentioned "Safer Clubbing" advice issued by the Home Office. In all cases where these conditions are to be imposed, advice will be taken from the local Drugs Action Team and the Police.

3.7 **Door Supervisors**

The Council may consider that certain premises require supervision for the purpose of promoting the reduction of crime and disorder, and to generally provide a safer operation of the premises. In such cases, the Council may impose a condition that licensed door supervisors (approved by the Security Industry Authority) must be employed at the premises either at all times or at such times as certain licensable activities are being carried out, and at a number and ratio to be determined by the Council.

3.8 **Late Night Levy**

Changes in the primary legislation through the Police Reform & Social Responsibility Act 2011 provided a potential for the Authority to adopt an additional local power to assist in the control of any adverse effect the Late Night Economy could have on the local community, including the cost of enforcement and management. The Late Night Levy would potentially allow the Authority to raise a contribution from late-opening alcohol suppliers towards the cost of Policing that aspect of the economy

3.9 **Early Morning Restriction Orders**

The Early Morning Restriction Orders are seen as a simple prepackages tool for potential use by the Authority to readjust the focus of the night time economy away from problem drinking, if such measures would promote the Licensing Objectives. Technically after a period of consultation and a potential Hearing the opening hours of problem premises and even problem areas could be reduced or curtailed between the hours and midnight and 0600 hours.

Public Safety

3.11 The Council wishes to promote high standards of public safety in relation to premises and activities within the scope of the Licensing Act 2003 and the non-smoking regulations laid down in the Health Act 2006..

3.12 The Environmental Health Section of the Council which enforces health and safety requirements in relevant premises will be consulted as a Responsible Authority and its officers may also act as Authorised Persons for enforcement purposes under the Licensing Act 2003.

3.13 The Council recognises that general health and safety duties will not always adequately cover specific issues that arise in premises in connection with certain entertainments and therefore conditions will need to be attached to a licence / certificate. Physical safety includes the prevention of accidents and injuries and other immediate harms that can result from alcohol consumption such as unconsciousness and alcohol poisoning. There must be no doubt that it remains an offence to sell or supply alcohol to a person who is drunk.

3.14 In the case of premises requiring a Premises Licence or Club Premises Certificate the Council may select certain conditions if they are appropriate and proportional to the nature of the activities specified in the operating schedule, and reflect the four licensing objectives set out at Para 1.3.

3.15 Where activities are organised by volunteers or a committee of a club or society or community premises the Council considers it good practice that the same level of health and safety protection is provided as if an employer / employee relationship existed, irrespective of whether there are strict legal duties applicable under the health and safety legislation.

Applicants are also encouraged to take a proactive approach to general safety issues, including that of their customers, and to discuss appropriate measures with the responsible authorities concerned

3.16 Where any conditions have been applied to a Premises Licence or Club Premises Certificate an Authorised Officer of the Council may inspect the premises at any reasonable time for the purpose of checking that the conditions are being complied with.

3.17 The Council would expect that organizers of any large scale events, where licensable activities are to take place, to prepare an event management plan incorporating appropriate risk assessments and present them to the Safety Advisory Group.

3.18 Fire Safety

The Council will have due regard to the representations of North Wales Fire Service which is one of the Responsible Authorities that will be consulted regarding licence / premises certificate applications.

3.19 The Council may select appropriate and proportional conditions from a range conditions in relation to fire safety matters in consultation with North Wales Fire Service.

In any premises where a work activity takes place the Fire Precautions (Workplace) Regulations 1997 (as amended), The Regulatory Reform (Fire Safety) Order 2005 will also apply. These regulations are enforced by North Wales Fire Service and will confer a statutory duty on premises supervisors to conduct their own Risk Assessments on each Premises.

The Risk Assessment document should address the occupancy figures for the licensed Premises.

Prevention of Public Nuisance

3.20 The Council when making objective judgments about what constitutes a nuisance will focus on impacts of the licensable activities at the relevant premises on people living and working in the vicinity that are unreasonable. The issues will mainly concern;

- Noise from premises;
- Waste;
- Litter;
- Car Parking;
- Light pollution and Noxious odours.

- 3.21 In considering the potential impact of licensed premises on the surrounding locality the Council will initially take into account the type of entertainment activity, proposed hours of operation, the capacity of the premises and the character of the area and proximity to local residents. Additional options could be the introduction of Early Morning Restriction Orders or even the Late Night Levy within that area
- 3.22 The Environmental Health Section of the Council enforce the provisions of the Environmental Protection Act 1990 which relate to noise nuisance and will be consulted in relation to existing premises if a nuisance is caused to residents or the business community. They will also be consulted with regard to the prevention of public nuisance and on receipt of a Temporary Event Notice.
- 3.23 The Council will use a range of licence conditions to control noise from existing premises and to advise developers on the required noise attenuation for new premises (*reference may be made to the 'Good Practice Guide on the Control of Noise from Pubs and Clubs'*). Stricter conditions with regard to noise control will be imposed in areas where the premises are adjacent to residential property.
- 3.24 The Council will not impose conditions on licensed premises that the licensee cannot directly control, or on matters not related to the immediate vicinity of the premises.
- 3.25 North Wales Police also have powers under the Licensing Act 2003 to control noise from premises; in the event that they have to invoke these powers they shall liaise, where practicable, with the Council in accordance with the protocol regarding shared enforcement protocol.
- 3.26 Noise and disturbance arising from the behaviour of patrons that entering or leaving the premises are matters for personal responsibility and are subject to Police enforcement of the normal law concerning disorder and anti-social behaviour.
- 3.27 The Council will balance the potential for limited disturbance in neighbourhoods with the need to encourage and promote live music, dancing and theatre.
- 3.28 The introduction of the non-smoking regulations under the terms of the Health Act 2006 hold implications for potential public nuisance through noxious smells and noise disturbance from crowds gathering outside a Licensed Premises to smoke. Designated Premises Supervisors should be aware that there remains a statutory duty to abide by the four main licensing objectives.
- 3.29 The Council will work together with Licensed Premises Operators to ensure all appropriate terms of the Clean Neighbourhoods and Environment Act 2005 are upheld.
- 3.30 The Anti-Social Behaviour Act 2003 makes provision for the closure of premises for up to 24 hours where noise from any licensed premises is causing a public nuisance.

Protection of Children from Harm

- 3.31 The Council recognises the great variety of premises for which licences may be sought. These will include for example; theatres, cinemas, restaurants, pubs, nightclubs, cafes, take-aways, community halls and schools. Access by children to all types of premises will not be restricted in any way unless it is considered appropriate and proportional to do so in order to protect them from harm in some way.
- 3.32 When considering applications for premises licences, the Council will take into account the history of a particular premises and the nature of the activities proposed to be provided when considering any options appropriate to prevent harm to children. For example where:
- There have been convictions for serving alcohol to minors or where the premise has a reputation/evidence for underage drinking (to include any action undertaken by the Trading Standards Section of the Council regarding test purchases in relation to the supply of alcohol);
 - There is a known association with drug taking or dealing;
 - There is a strong element of gambling on the premises; or
 - Entertainment of an adult or sexual nature is commonly provided.
- 3.33 Where the circumstances described in 6.2 exist then conditions may be attached to the licence to protect children from harm. Such conditions may include:
- Limit the hours when children may be present;
 - Restrict the age of persons on a premises (below 18);
 - Limit or exclude when certain activities may take place; or
 - Require an accompanying adult.
- 3.34 The Police Reform & Social Responsibility Act 2011 allows Licensing Authorities and the Police the option of imposing a period of voluntary closure of up to two weeks (48 hours minimum) on a premises persistently selling alcohol to children as an alternative to prosecution in some cases. The maximum fine has been increased to £20,000.
- 3.35 Where large numbers of children are likely to be present on any licensed premises, for example a children's show or pantomime, then the Council will require the presence of an appropriate number of adult staff (who will have provided a satisfactory Criminal Records Bureau Disclosure) to ensure their safety and protection from harm.
- 3.36 Where the exhibition of films is permitted the authority will expect age restrictions to be complied with in accordance with the British Board of Film Classifications recommendations. *Only in exceptional cases will the authority consider variations of this general rule.*

- 3.37 No film shall be exhibited at licensed premises which is likely to:
- Lead to disorder;
 - Stir up hatred or incite violence towards any section of the public on grounds of colour, race or ethnic or national origin, disability, religious beliefs, sexual orientation or gender.
- 3.38 The Council will not impose any condition, which specifically requires access for children to be provided at any premises. Where no restriction or limitation is imposed the issue of access will remain a matter for the individual licensee or club.
- 3.39 The Gambling Act 2005 allows a degree of equal chance gaming on licensed premises plus a limited number of gaming machines and the presence of children or vulnerable persons will have to be monitored by the Council and the Designated Premises Supervisor.
- 3.40 Sexual Entertainment Venues** - With the introduction of Section 27 of the Policing and Crime Act 2009 and where a Council has adopted Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 any premises used for more than 12 occasions within a 12 month period for any relevant sexual entertainment, the premises must also be licensed as a Sexual Entertainment Venue. Relevant sexual entertainment includes: lap dancing, pole dancing, table dancing, strip shows, peep shows and live sex shows.

4. Cumulative Impact, Late Night Levy & Early Morning Restriction Orders

- 4.1 The cumulative effect of a proliferation of late night entertainment premises (including night cafes) may result in an increase in numbers of people either walking through or congregating in streets during the night. The consequences of this may lead to;
- An increase in crime;
 - An increase in noise causing disturbance to residents;
 - A significant increase in the level of pedestrian traffic;
 - Traffic congestion and/or parking difficulties;
 - Littering and fouling.
- 4.2 This may result in an unacceptable interference with the amenity of local residents, as it will not always be possible to attribute the cause to patrons of particular premises. This means that while enforcement action to ensure conditions are complied with is taken, this may not resolve all problems in a locality.
- 4.3 In such circumstances the Council may decide to refuse to accept new licences within that area because of the inherent problems associated with the operation of licensed premises. Any applications would, however be considered on its own merits and would be given proper consideration.
- 4.4 In determining applications for a particular area the Council may, among other things-
- Gather evidence or identification of serious and chronic concern from a responsible authority or local residents about nuisance and disorder
 - Identify the area from which problems are arising and the boundaries of that area
 - Make an assessment of the causes

4.5 It should be noted that Licensing is only one means of addressing the problems identified above, and the following mechanisms should be considered in an attempt to deal with the problem(s)

- Planning controls;
- Powers of local authorities to designate parts of the local authority area as places where alcohol may not be consumed publicly and confiscation of alcohol in these areas;
- Police powers to close down premises or temporary events for up to 24 hours on the grounds of disorder, the likelihood of disorder or excessive noise;
- Prosecution of personal licence holders who sell alcohol to people who are drunk;
- Powers of the Police, responsible authorities or a local resident or business to seek a review of a licence or premises certificate.

4.6 Early Morning Restriction Order (EMRO).

Allows for early morning restriction on the sale of alcohol in all or part of the Authority area between Midnight and 0600 hours.

Persons that may be affected by an EMRO will have 42 days to make relevant representations for, or against, a proposed EMRO. The Authority will be required to notify licensed premises that would be included in the scope of a proposed EMRO, rather than all premises within the licensing area. A proposal to introduce an EMRO should be publicised on the Authority web site and in a local newspaper.

There will be no exemptions from an EMRO however there will be provision to ensure premises with overnight accommodation can still provide room service and mini bars. EMRO's will not apply to New Year's Eve celebrations.

4.7 Expansion on the Late Night Levy order

The Late Night Levy will be a local power the Authority can choose whether or not to exercise but in making its decision the Authority will have to consider – the cost of policing and other arrangement for the reduction or prevention of crime and disorder in connection with the supply of alcohol between midnight and 0600 hours – also give regard to those costs, the desirability of raising revenue to be applied in accordance with the Regulations.

Local Residents can use their existing rights to make representations and other channels of communication to call for the implementation of the levy in the area. The Authority would be able to fund the services that are connected to the management of the night time economy however the Police would have more scope as to where their share of the levy would be allocated

The Authority would be able to offer up to 30% reduction in the Levy amount for premises demonstrating good practise or playing an active part in a Pubwatch or Best Bar None scheme. Premises with overnight accommodation, theatres, cinemas, bingo halls, community premises and some village inns will be able as a discretionary local exemption from the levy

As of September 2015 Central Government through the auspices of the Home Office are consulting on changes to the Late Night Levy and there may have to be future amendments to the Policy and Guidelines. It may be advisable to contact the Home Office for the latest Guidelines.

5. Planning/Building Control

- 5.1 Any premises for which a license is required the Council will expect, although not a legal requirement, that applicants will hold an authorised use under the planning legislation.
- 5.2 Welsh Assembly planning policy is set out in Planning Policy Wales and Technical Advice Notes. The Council's Planning Policies are set out within the Anglesey Unitary Development Plan.
- 5.3 In general, planning permissions authorise a broad type of use of a premises, whereas licences are granted for a particular type of activity. A planning permission for an entertainment use, for example may cover activities that can have a wide range of different impacts in the locality. The precise nature of the impacts of the specified activities proposed by an applicant for a premises licence need to be considered when the application is made.
- 5.4 Planning and Licensing regimes involve consideration of different (albeit related) matters. For example Licensing may consider public nuisance whereas planning would consider amenities and as such licensing applications should not be a re-run of planning applications but the Council will expect applicants to submit details of any restrictions that may have been imposed by a planning committee.
- 5.5 When any hours differ from Planning and Licensing hours the applicant must observe the earlier closing time. Premises operating in breach of their planning permission would be liable to prosecution under planning law.
- 5.6 The Council will encourage licence holders to provide facilities enabling the admission of people with disabilities. No conditions will be applied which could be used to justify exclusion on the grounds of public safety.
- 5.7 **Building Control.** It should be borne in mind that Building Regulations govern a variety of issues, which directly contribute to the Licensing Objectives, including means of escape, structural integrity, accessibility and public safety. Building Regulation Approval and Completion Certificates may be required prior to the use of the premises for licensable activities

6. Premise Licence (New Applications and Variation of existing Terms and Conditions).

- 6.1 In considering all new or variation applications, the Council will assess them in light of the licensing objectives and in particular will consider the following:
- 6.2 The steps the applicant has taken or proposes to prevent noise and vibration escaping from the premises, including music, noise from ventilation equipment, and human voices. Such measures may include the installation of soundproofing, air conditioning, acoustic lobbies and sound limitation devices.

- 6.3 The steps the applicant has taken or proposes to prevent disturbance by patrons arriving at or leaving the premises.
- 6.4 The steps the applicant has taken or proposes to take to prevent queuing, or, if queuing is inevitable, to divert queues away from neighbouring premises, or otherwise to manage the queue to prevent disturbance or obstruction.
- 6.5 The steps the applicant has taken or proposes to ensure staff leave the premises quietly.
- 6.6 The arrangements made or proposed for parking by patrons, and the effect of parking on local residents.
- 6.7 Whether there is sufficient provision for public transport for patrons.
- 6.8 Whether taxis and private hire vehicles serving the premises are likely to disturb local residents.
- 6.9 Whether routes to and from the premises on foot or by car or service or delivery vehicles pass residential premises.
- 6.10 Whether other measures to prevent nuisance have been considered, such as the use of CCTV or the employment of registered door supervisors.
- 6.11 The measures proposed to prevent the consumption or supply of illegal drugs, including any search procedures.
- 6.12 The measures proposed to comply with the Disability Discrimination Act
- 6.13 The likelihood of violence, public disorder or policing problem arising if a licence was granted.
- 6.14 If the applicant has previously held a licence within the Council, the details of any enforcement action arising from that premises.
- 6.15 Whether the premises would result in increased refuse storage or disposal problems, or additional litter in the vicinity of the premises.
- 6.16 Representations from responsible authorities*
- 6.17 Representations from interested parties**
- 6.18 The Police Reform & Social Responsibility Act 2011 also requires applicants when outlining the steps above to provide further contextual information in support and to demonstrate an awareness of the local community; which could include the area's demographic characteristics and/or specific local crime and disorder issues for example.
- 6.19 When appropriate arrangements are to be made for the committee to receive reports on the needs of the local tourist economy for the area to ensure that these are reflected in their considerations. Similarly the licensing committee should be appraised of the employment situation in the area and the possible need for new investment and employment where appropriate.

6.20 Live Music will cease to make regulated entertainment in venues licensed for the sale and supply of alcohol for consumption on the premises under the following situations: when it is unamplified and takes place between 8 a.m. and 11 p.m. or when it is amplified and takes place in the presence of an audience of 200 persons or less and is provided between 8 a.m. and 11 p.m. - unless the Authority states otherwise on the licence pursuant to a Review Hearing.

6.21 The introduction of a Late Night Levy or Early Morning Restriction Order

(Includes North Wales Police, North Wales Fire Authority, the Council's Environmental Health and Planning Sections.*

*** Includes persons living and businesses operating in the vicinity of the premises.)*

In addition in the case of an application for variation:

6.22 The Council will take account of any non-compliance of other statutory requirements brought to its attention, particularly where these undermine the licensing objectives set out at paragraph 1.3. This is because any non-compliance with other statutory requirements may demonstrate that the premises are unsuitable for the activities proposed; or that the management of the premises is not adequate to protect the public from harm or nuisance.

6.23 Whether appropriate measures have been agreed and put into effect by the applicant to mitigate any adverse impacts.

6.24 Minor Variations – A premises licence/club premises certificate holder may apply under the “minor variation” procedure for small variations that will not impact adversely on the licensing objectives. There is no right to a hearing, however if the application is rejected, a full variation may be made.

6.25 Disapplication of Designated Premises Supervisor – Where community premises hold a premises licence allowing the supply/sale of alcohol, the licence holder can apply to have the mandatory condition requiring a Designated Premises Supervisor to be appointed, be removed. This passes the responsibility for the sale/supply of alcohol to the premises Management Committee.

6.26 **Premises Licence Annual Fee** - Although premises licences and club premises certificates are granted in perpetuity, licence holders are required to pay an annual fee to the Licensing Authority in relation to both the above

The annual fee becomes payable upon the anniversary of the grant of the premises licence/club premises certificate.

Historically non-payment of annual fees was only recoverable as a civil debt and the premises licences/club premises certificates remained in place regardless of whether payment was received.

During 2012 the Police Reform and Social Responsibility Act amended the Licensing Act 2003 to impose a requirement on Licensing Authorities to suspend premises licences and club premises certificates, where the annual fees were not paid.

The effect of this provision is that Licensing Authorities must now suspend premises licences and premises licence certificates until the fee is paid, and does not have any discretion as to whether or not to impose such a suspension. In accordance with the new provisions once the fee has been paid the licence is automatically re-instated

7 Temporary Event Notices

The Council will produce clear and understandable local publicity about temporary permitted activities. Ten working days (*i.e. ten clear working days excluding the day of submission and the day(s) of the event*) will be the minimum and standard notice period, however in the interest of open consultation, the Council would encourage 20 day's notice to be provided.

For the purpose of a TEN, a temporary event is a relatively small-scale event attracting fewer than 500 people.

7.1 Both the Police and the Environmental Health Department can object to a Temporary Event Notice, within a three day window of submission, which will allow a period for a review of the Notice leading to a modification or in some cases for the Council to add conditions to the Notice.

7.2 A late Temporary Event Notice can be submitted between 9 and 5 working days before the Event but if objections are raised by the Police or Environmental Health there will be no avenue of appeal.

7.3 The duration limit for a Temporary Event Notice has been extended under the terms of the Police Reform & Social Responsibility Act 2012 from the original 96 hours to a maximum of 168 hours in the main to facilitate touring theatres, circuses and voluntary groups wishing to hold a week-long event without the necessary 24 hour break under the terms of the old legislation and on the total annual availability covered by a Temporary Event Notice in relation to a single premises from 15 days to 21 days.

If you have a personal licence, you can give 50 TENs (made up of standard and late TENs) a year; if you don't have a personal licence you can only give 5 (made up of standard and late ENs).

If you have a personal licence, you can give 10 late TENs a year; if you don't have a personal licence you can only give 2 late TENs.

7.4 The Council will proactively provide extensive advice about organising such events, including the issue of public safety. Where the need arises, coordination between responsible authorities and the emergency services will be facilitated through the Safety Advisory Group.

7.5 Many local events will be organised by volunteers or a committee of a club or society. The Council considers it good practice that the same level of health and safety protection is provided as if an employer/employee relationship existed, irrespective of whether there are strict legal duties applicable under the health and safety legislation.

8 Personal Licences

The Council will issue full and clear guidance regarding personal licences but each premises, which holds an appropriate Premises Licence must have a nominated Designated Premises Supervisor for each site. The Designated Premises Supervisor must hold a personal licence however is not required to be present at all times but may authorise other persons to sell alcohol but it is advisable that such authorisation is made in writing. The overall responsibility of operating a licensed premises will fall to the Designated Premises Supervisor and he/she will be the principle point of contact for the Council, Police and other nominated Responsible Authorities.

8.1 Before the Council will consider the grant or renewal of a license to an applicant he must be in a position to confirm the following:

They are over 18

They possess a relevant licensing qualification

That no license held by them has been forfeited in the period of 5 years prior to this application

They have not been convicted of any relevant offence

Notes: - Relevant offences as referred to above shall include offences such as

Serious violence

Serious dishonesty (including involvement in the sale of smuggled tobacco and alcohol)

The supply of drugs

Offences requiring an entry on the sex offences register

Breach of alcohol licensing laws

8.2 Personal Licences are valid for an indefinite period however once issued the licensing authority which issued the license remains the relevant licensing authority for it and its holder even though the holder may move out of the district.

8.3 The holder of a Personal Licence is also required to notify the Licensing Authority of any relevant convictions and to notify the courts that they hold a personal licence at the first possible opportunity in order that the licence can be considered for endorsement, suspension or revocation. It will be an offence not to conform with the above.

9. Club Premises Certificates

9.1 Some activities carried out by clubs need to be licensed under the Act but generally clubs are treated differently to proprietary clubs and commercial premises. A club is an organisation where members have joined together for a particular reason i.e. social, sporting or political and have combined to buy alcohol in bulk as members of the organisation for supply to members. In order to apply for a Club Premises Certificate the club needs to be a 'Qualifying Club'.

9.2 A qualifying club:

- Have members. Membership is not instant. There is a minimum of 2 days between applications for membership and admission. This includes the privileges of membership (i.e. use of facilities and the consumption of alcohol)
- Has at least 25 members
- The club is conducted in good faith and has full accountability to its members
- Where alcohol is purchased and supplied, that it is done so by an elected committee of the club.

This will entitle them to certain benefits:

- No need for Personal Licence Holders on the premises
- No need for Designated Premises Supervisors
- More limited rights of entry for the Police and Authorised Persons (Licensing Officers) as the premises is considered private and not generally open to the public
- To sell hot food and drink between 11pm and 5am to members and guests without the need for a licence.

10. Operating schedule

- 10.1 All new and variation applications should incorporate an ‘operating schedule’ which outlines how the premises will be operated. This should include details of how the applicant will promote the four licensing objectives and reduce any potential negative impact from the operation of their business on the local community, depending on the type of premises, location and profile of customers.

The proposals contained in the operating schedule will form the main body of the conditions to be applied to the licence, together with any applicable mandatory conditions, any conditions agreed with responsible authorities during the application process and any conditions imposed by a licensing sub-committee where representations have been made.

- 10.2 In completing an operating schedule, applicants are expected to have regard to this statement of licensing policy and to demonstrate suitable knowledge of their local area when describing the steps that they propose to take in order to promote the Licensing Objectives. To demonstrate, when setting out the steps they propose to take to promote the licensing objectives, that they understand:
- the layout of the local area and physical environment including crime and disorder hotspots, proximity to residential premises and proximity to areas where children may congregate;
 - any risk posed to the local area by the applicants’ proposed licensable activities; and
- any local initiatives (for example, local crime reduction initiatives or voluntary schemes including local taxi-marshalling schemes, street pastors and other schemes) which may help to mitigate potential risks.
- 10.3 The Licensing Authority will provide general advice on the drafting of operating schedules and applicants are strongly recommended to discuss their operating schedules with the Licensing Authority and other Responsible Authorities prior to submitting them.

- 10.4 The complexity and detail required in the operating schedule will depend upon the nature and use of the premises concerned. For premises such as a public house where regulated entertainment is not provided, only a relatively simple document may be required. However for an operating schedule accompanying an application for a major entertainment venue or event, it will be expected that issues such as public safety and the prevention of crime and disorder will be addressed in detail
- 10.5 The operating schedule must be set out on the prescribed form and include a statement of the following:-
- Full details of the licensable activities to be carried on at and the intended use of the premises;
 - The times during which the licensable activities will take place;
 - Any other times when the premises are to be open to the public;
 - Where the licence is only required for a limited period, that period;
 - Where the licensable activities include the supply of alcohol, the name and address of the individual to be specified as the designated premises supervisor;
 - Whether alcohol will be supplied for consumption on or off the premises or both;
 - The steps which the applicant proposes to promote the Licensing Objectives.
- 10.6 For some premises, it is possible that no measures will appropriate to promote one or more of the Licensing Objectives, for example, because they are adequately covered by other existing legislation. It is however important that all operating schedules should be:
- Precise and enforceable
 - Be unambiguous
 - Not to duplicate other statutory provisions
 - Be clear in what they intend to achieve, and
 - Be appropriate, proportionate and justifiable

11. Hours of Operation

- 11.1 The Council recognises that fixed and artificially early closing times in certain areas can lead to disorder and disturbance on the streets when large numbers of people tend to leave licensed premises at the same time however under the terms set out in the Guidance issued under Section 182 of the Licensing Act 2003 there is no general presumption in favour of lengthening hours.

The four licensing objectives will be the paramount consideration at all times and each case will be judged on its individual merits.

- 11.2 Longer licensing hours for the sale of alcohol may therefore be a factor in reducing problems at late night food outlets, taxi ranks, private hire offices and other sources of transport, which lead to disorder and disturbance.
- 11.2 Shops, stores and supermarkets will be permitted to sell alcohol for consumption off premises at times when they are normally open in the course of their business. Hours may be restricted when representations are received from the Police or resident(s) in the case of individual shops, which are known to be a focus of disorder and disturbance.

11.3 When considering applications for premises licences, the Council will take into account an applicant's requests for terminal hours (the close of business) in the light of the:

Environmental quality;

Residential amenity;

Character or function of a particular area and,

Nature of the proposed activities to be provided at the premises.

11.4 The terminal hours will normally be approved where the applicant can show that the Proposal would not adversely affect any of the above. The Council may set an earlier terminal hour where it considers this is appropriate to the nature of the activities and the amenity of the area.

11.5 Where premises are situated adjacent to residential areas then stricter conditions with regard to noise control may apply, but this should not limit opening hours provided the required conditions are complied with.

12 Enforcement

12.1 Protocol exist on the implementation of a shared enforcement role between the Council and North Wales Police and the Fire and Rescue Service as well as a local Enforcement ladder protocol again agreed between the Council and the Police.

12.2 In general terms, action will only be taken in accordance with agreed enforcement principles and in line with the Council's own enforcement policy. To this end the key principles of consistency, transparency and proportionality will be maintained.

12.3 An amendment to the Licensing Act 2003 under the terms set down in the Violent Crime Reduction Act 2006 enabled the Licensing Authority, on the application of a Senior Police Officer to attach interim conditions to licences pending a full review of the licence.

12.4 Crime & Security Act 2010 – amends the Licensing Act 2003 to allow local authorities to make early morning alcohol restriction orders effectively overriding any premises licence, club certificate or temporary event notices which authorizes the sale of alcohol between the hours of 0300 hours and 0600 hours. The Council must also suspend a premises licence or a club premises certificate for nonpayment of the annual fee. Suspension is by notice operative at least 2 days after notice is given (following a grace period).

12.5 Police Reform & Social Responsibility Act 2011 expands on the above and allows through the auspices of Early Morning Restriction Orders for premises or even areas to be restricted from operating for specified periods between the hours of midnight and 0600 hours.

12.6 The above mentioned Act also allows for the potential of applying a Late Night Levy on premises operating between midnight and 0600 hours to cover the cost of additional policing of the late night economy

12.7 Annual Fees

Amendments made to the Licensing Act 2003 by the Police Reform and Social Responsibility Act 2010 gives councils the power to suspend premises licences and club premises certificates where the annual fee required by regulations is not paid.

- 12.8 The council will suspend any licence or certificate where the required fee is not paid by the 'due date', which is annually on the anniversary of the date that the licence was first granted. The council will follow the below procedure:-
- 12.9 Upon notification/discovery that an annual fee is not paid, the council will give notice to the licence/certificate holder, in writing,
- that the licence/certificate will be suspended 14 days from the date of the notice.
 - It will also state that the suspension will not become effective if the fee is paid prior to the suspension date.
 - If an administration error is claimed, the suspension date may be 21 days from the due date; or the date of suspension on the 14 day notice, whichever is later.
 - A copy of the notice will also be served on the designated premise supervisor/premises manager if they are not the premises licence holder.
- 12.10 If the fee is not paid by the date specified on the notice the licence/certificate will be deemed suspended. The licence/certificate holder and DPS/Manager will be immediately notified of the suspension becoming effective, and informed that the premises may no longer offer any licensable activities until such time as the fee is paid and the suspension lifted. When the full payment is made the council will immediately lift the suspension, and confirm this in writing.
- 12.11 Where a licence/certificate is suspended and licensable activities are provided the council will consider prosecuting the provider for offences under section 136 of the Licensing Act 2003.

13 The Licensing Process

13.1 Conditions of Licence

The Council will, as far as it is reasonably practicable, avoid imposing disproportionate and over burdensome conditions on premises.

- 13.2 The Council could attach conditions to each individual licence as appropriate and given the circumstances of each individual case. Conditions will deal with issues surrounding –

Crime and disorder
 Public safety
 Cinemas and fire safety
 Public nuisance
 Protection of children from harm

- 13.3 When attaching conditions the Council will also be aware of the need to avoid measures, which might deter live music, dancing or theatre by imposing indirect costs of a substantial nature. To ensure cultural diversity thrives, the Council, has established a policy to licence some public areas within the community in their own name and details of these areas can be found within the National Register.

The introduction of the Live Music Act 2012 enables unamplified music to be played between the hours of 0800 hours and 2300 hours and amplified music to be played during the same period but only to an audience of 200 persons or less without the need for the entertainment to be regulated unless following a Review Hearing when conditions can be re-enstated or new and additional conditions imposed.

- 13.4 When determining applications the Council will have regard to any Guidance issued by the Home Office. In particular, account will be taken of the need to encourage and promote live music, dancing and theatre for the wider cultural benefit of the community as a whole. If representations are made concerning the potential for limited disturbance in a particular neighbourhood, the Council's consideration will be balanced against the wider benefits to the community.
- 13.5 **Administration – Application Pathway**
It is considered that many of the functions will be largely administrative. Where there are no Areas of contention, the responsibility for processing any such application shall be delegated to Officers.
- 13.6 The Council will expect individual applicants to address the licensing objectives in their Operational Plan having regard to the type of premises, the licensable activities to be provided, the operational procedures, the nature of the location and the needs of the local community as per section 9.1.17
- 13.7 Applicants will be encouraged to make themselves aware of any relevant planning and transportation policies, tourism and cultural strategies and local crime prevention initiatives and to have taken these into account where appropriate when formulating their Operational Plan.
- 13.8 The Council acknowledges the advice received from Home Office that the views of vocal Minorities should not be allowed to predominate over the interests of the community.
- 13.9 The powers of the Council under the Act shall be carried out by the Licensing Committee, by a Sub Committee, or by one or more officers acting under delegated authority.
- 13.10 **Interested Parties** The Council's appointed Licensing Committee will deal with applications where there are relevant representations, or where there is an application for a review of a licence. Relevant Representations are only to be considered relevant if they relate to the likely effect of the grant of the licence on the promotion of at least one of the licensing objectives.

Representation can be made by any other person including a third party or by a Ward Councillor who has been approached to represent the third party. The Council however will need to be satisfied as to the name and address of the interested party and that such a person has been given authority by the third party to act on their behalf.

Representations may be positive as well as negative but if only positive representations are received that it is highly unlikely that a hearing will be necessary.

Provisions of Services Regulation 2009 – transpose the European Services Directive into UK legislation allowing applications, notices and representations to be transmitted by electronic means through Points of Single Contact (www.eu-go.eu). In the UK the point of contact is found under www.ukwelcomes.businesslink.gov.uk allowing licence applications and payments to be made on line.

The Council will advertise applications on their own web site to raise awareness.

Responsible Authorities are responsible for making representations and observations in relation to the impact each licence application may have on the licensing objectives and whether the control measures contained in the application’s operating schedule are adequate to mitigate those impacts:

North Wales Police	North Wales Fire and Rescue Service	Local Health Boards
Trading Standards	Planning	Licensing Authority
Social Services		

13.11 Integrating Strategies and the avoidance of Duplication

Any decision in relation to licensing applications will be entirely separate from any decision in relation to planning. Regular reports will, however, be furnished to the Planning Committee on the situation with regard to licensing for the area, including the general impact of alcohol related crime and disorder.

13.12 The Licensing Committee should receive reports from Anglesey Community Safety Partnership in relation to Crime and Disorder on the Island.

13.13 There are a number of wider issues which may need to be given due consideration when dealing with applications. The Council’s Licensing Committee will therefore receive reports on;

Needs of the local tourist economy
Cultural Strategy for the area
Employment situation in the area and the need for new investment and employment where appropriate
Planning considerations, which might affect licensed premises.

13.14 Where any protocols agreed with the police identify a particular need to disperse people from town centres swiftly and safely to avoid concentrations which could lead to disorder and disturbance, the Council will aim to inform those responsible for providing local transportation so that arrangements can be made, where practicable, to reduce the potential for problems to occur.

- 13.15 Before the Council will consider the grant or renewal of a license to an applicant he must be in a position to confirm the following:

They are over 18

They possess a relevant licensing qualification

That no license held by them has been forfeited in the period of 5 years prior to this application

They have not been convicted of any relevant offence

Notes: - Relevant offences as referred to above shall include offences such as

Serious violence

Serious dishonesty (including involvement in the sale of smuggled tobacco and alcohol)

The supply of drugs

Offences requiring an entry on the sex offences register

Breach of alcohol licensing laws

- 13.16 The Local Health Board is responsible for making representations and observations on licence applications. The Health Board will also use information provided by Public Health Wales in order to inform their decision making. Public health is not yet a licensing objective but the licensing authority believes that public health has much to add to licensing in relation to the local populations' alcohol related health needs. Health bodies such as Public Health have unique access to data not available to other responsible authorities which may inform licensing decisions. Public Health is useful in providing evidence of alcohol related health harms particularly in relation to cumulative impact policies.

14.0 Licensing Committee

- 14.1 The Licensing Committee consists of 15 members of the licensing authority. Hearings take place before the Licensing Act Sub-Committee which is made up of 3 members of the Licensing Committee.

- 14.2 The purpose of a hearing before the Licensing Act Sub-Committee is to allow all contentious issues relating to an application to be heard and considered.

14.3 Delegation and Decision Making

- 14.4 One of the major principles underlying the Licensing Act 2003 is that the licensing functions contained within the Act should be delegated at an appropriate level to ensure an efficient and cost effective service.

- 14.5 The Licensing Authority is committed to the principle of delegating its powers to ensure that these objectives are met and has arranged for its licensing functions to be discharged in accordance with the Guidance issued by the Secretary of State.

- 14.6 The Act itself creates a presumption that applications will be granted unless a Relevant Representation (objection) is raised. Where a function is delegated to an officer that officer will be responsible for liaising between the Applicant(s), Interested Parties, and the

Responsible Authorities to ensure that any licence granted is subject to any agreed or mandatory conditions.

- 14.7 Where objections are made then an officer of the Licensing Authority may liaise with the Applicant, Interested Parties and the Responsible Authorities to see if a “settlement” is possible to overcome any objections, without the need for the matter to go before a formal Licensing Sub-Committee. Should this be the case, Members will meet to consider the proposed agreed conditions and if they are considered to be relevant and appropriate, will agree to their being appended to the Licence. Only where objections are raised which cannot be reconciled, will matters be referred to the Licensing Sub-Committee for determination.
- 14.8 Whilst contested Licensing Applications and Review Hearings are Quasi-Judicial in nature, the Sub-Committee will try to keep the proceedings as informal as possible. Some degree of formality is needed to ensure that all parties receive a fair hearing. Procedural requirements will be established to ensure that all parties are able to express their views openly and fairly. The Sub-Committee procedure is inquisitorial rather than adversarial and, whilst Applicants, Interested Parties and Responsible Authorities are entitled to bring legal representation with them if they wish, this is by no means a requirement or a necessity.
- 14.9 Whilst the Sub-Committee usually meets in public, it does have power to hear certain applications in private. The Sub-Committee, however, will always reach its decision in private. A public announcement of the decision is normally made at the end of the Hearing, together with an outline for the reasons for that decision

15. Additional information

- 15.1 Street Traders, will give consideration to the Authority’s Policy regarding street trading and ensure all sites utilized will have to be licensed as per the criteria defined in the Licensing Act.
- 15.2 Premises Operators will give consideration to the Authority’s Table and Chairs Policy in regards to street/garden furniture and any possible implications in pursuance of the four main licensing objectives as set out in the Licensing Act 2003.

Alcohol Deliveries

- 15.3. Applicants seeking a licence that would enable them to provide alcohol as part of an alcohol delivery service should include in their operating schedule the procedures they intend to operate to ensure that:
- The person they are selling alcohol to is over 18
 - That alcohol is only delivered to a person over 18
 - That a clear document trail of the order process from order to delivery is maintained (with times and signatures) and available for inspection by an authorised officer
 - The time that alcohol is sold on the website/over the phone and the time the alcohol is delivered is within the hours stated on the licence for the sale of alcohol.

15.4 Illicit Goods

The Licence Authority will consider licence review applications where there is evidence that illicit alcohol has been offered for sale on the premises. Where other illicit goods, such as tobacco, have been found this may be considered by the Licensing Authority as evidence of poor management and have the potential to undermine the licensing objectives.

The Licensing Authority's approach, which is consistent with the Guidance issued by the Home Office, is that the supply of illicit goods will be taken seriously as these matters undermine the licensing objectives. Licensees supplying illicit goods can expect the Licensing Authority to impose additional controls and sanctions and run the risk of losing their licence.

15.5 **Adult Entertainment**

Applicants for new licences or variations of existing licences must also indicate the nature of any adult entertainment to be carried out at the premises. Where this section contains no information it will be assumed that there are no intentions to allow such activities and the licensing authority will impose a condition to that effect.

Wrexham County Borough Council has adopted Schedule 3 Local Government (Miscellaneous Provisions) Act 1982 which means that venues proposing to provide sexual entertainment must apply for a sexual entertainment venue licence in addition to the premises licence under the Licensing Act 2003.

There is an exemption under the Local Government (Miscellaneous Provisions) Act 1982 that does permit premises to offer sexual entertainment no more than 11 times a year and no more frequently than monthly. Where operators intend to take advantage of this exemption, the licensing authority expects a clear explanation in the operating schedule of the proposed signage, publicity and external advertising/display materials. Explicit material should not be visible while signage relating to the nature of the entertainment and the exclusion of children should be prominent and conspicuous.

15. The licensing authority would expect to see the following measures offered in the operating schedule:

- No persons under 18 years of age will be admitted to premises when a performance of adult entertainment is taking place
- No performance shall involve physical contact between the performer(s) and any other person
- No performance shall involve the use of sex articles (as defined in the Local Government (Miscellaneous Provisions) Act 1982 and performers shall at all times wear a g-string or other similar clothing on the appropriate part of the body
- CCTV should cover all performance areas in the premises including those areas set aside for private dances/performances

Appendix 'A' – Guidance on the procedures & problem premises + Delegation Chart

1. Advice and Guidance

- 1.1 Pre-application discussions with the responsible authorities are encouraged to assist applicants in developing their proposals and operating schedules. Officers of the Licensing Authority will endeavour to provide guidance at that stage of the process. Where an officer is representing the Licensing Authority in its role as a Responsible Authority, wherever possible another officer will be designated to process the application and provide applicant guidance.
- 1.2 Where appropriate to do so, officers of the Licensing Authority will assist applicants to work with others who may make representations with a view to resolve areas of concern. Once an application has been lodged there are statutory timescales imposed on the application and determination process which restrict the opportunity for such discussions, liaison and mediation.
- 1.3 Contact details are set out below
- 1.4 The Licensing Authority is obliged by the Act to grant an application unless relevant representations are received. If there are no relevant representations the application will be dealt with by the Licensing Authority's licensing officers under the scheme of delegation (below). If there are relevant representations the application will be considered by the Licensing subcommittee at a public hearing.
- 1.5 Mandatory Conditions are imposed by the Act whether or not the application is opposed.
- 1.6 In determining applications for garages, (i.e. forecourt shops) the Licensing Authority must decide whether or not premises are primarily used as a garage and will expect applicants to submit data which establishes the primary use. Where such information is not available (because for example the premises have only just started trading), we may consider imposing a condition requiring this information to be provided to the Licensing Authority on a regular basis for the following years to ensure the premises are not primarily a garage

2.0 Representations

- 2.1 These may be made by either of the following:
 - (1) Responsible Authorities
 - (2) Any other person Regardless of their geographical location, providing that the representation is not vexatious and frivolous in the opinion of the Licensing Authority.
- 2.2 Any representations must relate to the named premises and are restricted to the 4 licensing objectives. The Licensing Authority will need to be satisfied there is an evidential link between the representations made the licensing objectives and the premises in question.

Where a representation simply relists the licensing objections without stating why it is considered the grant of the application will undermine or fail to promote them, it may be rejected as invalid.

- 2.3 The Licensing Act 2003 (hearings) Regulations 2005 require the Licensing Authority to provide the applicant with copies of any relevant representations made. Any person making a representation to an application should bear in mind that their personal data (such as name and address) will be disclosed to the applicant.

The Licensing Authority will not edit your letter of representation before it sends it out. All letters of representation will be contained in the agenda should the matter proceed to a sub-

committee hearing. Such hearings are open to the public and may include the presence of members of the media. Furthermore, personal data may be published in the minutes which are distributed to all parties to the proceedings and available on the Council's website.

3 Committee

- 3.1 The Committee is composed of 15 Councillors. A contested application will be heard by a sub-committee comprising 3 members of the Licensing Committee.
- 3.2 When considering applications the sub-committee will have regard to this Policy, statutory guidance, the Act and attached regulations and the licensing objectives.
- 3.3 Each application is considered on its individual merits.
- 3.4 Should the sub-committee decide to approve the application the mandatory licence conditions must be applied. In addition, the sub-committee will determine whether it is appropriate to attach other conditions to a licence, certificate or permission to secure achievement of the licensing objectives. Any such conditions will primarily focus on the direct impact of the activities taking place at the premises on those attending the premises and members of the public living, working or otherwise engaged in normal activity in the vicinity of the premises.
- 3.5 In determining whether a person lives or has business interests sufficiently close to the premises so as to be likely to be affected by the proposed activities, the Licensing Authority will consider factors such as:
 - ♣ The size of the premises
 - ♣ The nature of the premises
 - ♣ The distance of the premises from the location of the residence or business of the person making the representations
 - ♣ The potential impact of the premises (e.g. the number of customers and routes likely to be taken by its customers)
- 3.6 Conditions which seek to control the range or nature of activities within the premises, or which are designed to reduce the potential for anti-social behaviour, may be necessary. Such conditions may also seek to directly impact upon the behaviour of customers on, or within the immediate vicinity of, the premises.
- 3.7 The Licensing Authority will avoid attaching conditions which duplicate other regulatory regimes wherever possible.

4. Appeals

- 4.1 An appeal may be made to the Magistrates' Court against a decision of the Licensing Authority. The appeal must be made within 21 days of being notified of the decision to be appealed against.

The following may appeal:

- ♣ The applicant
- ♣ A Responsible Authority or any person who made relevant representations
- ♣ In the case of a review, the holder of the licence or certificate being reviewed

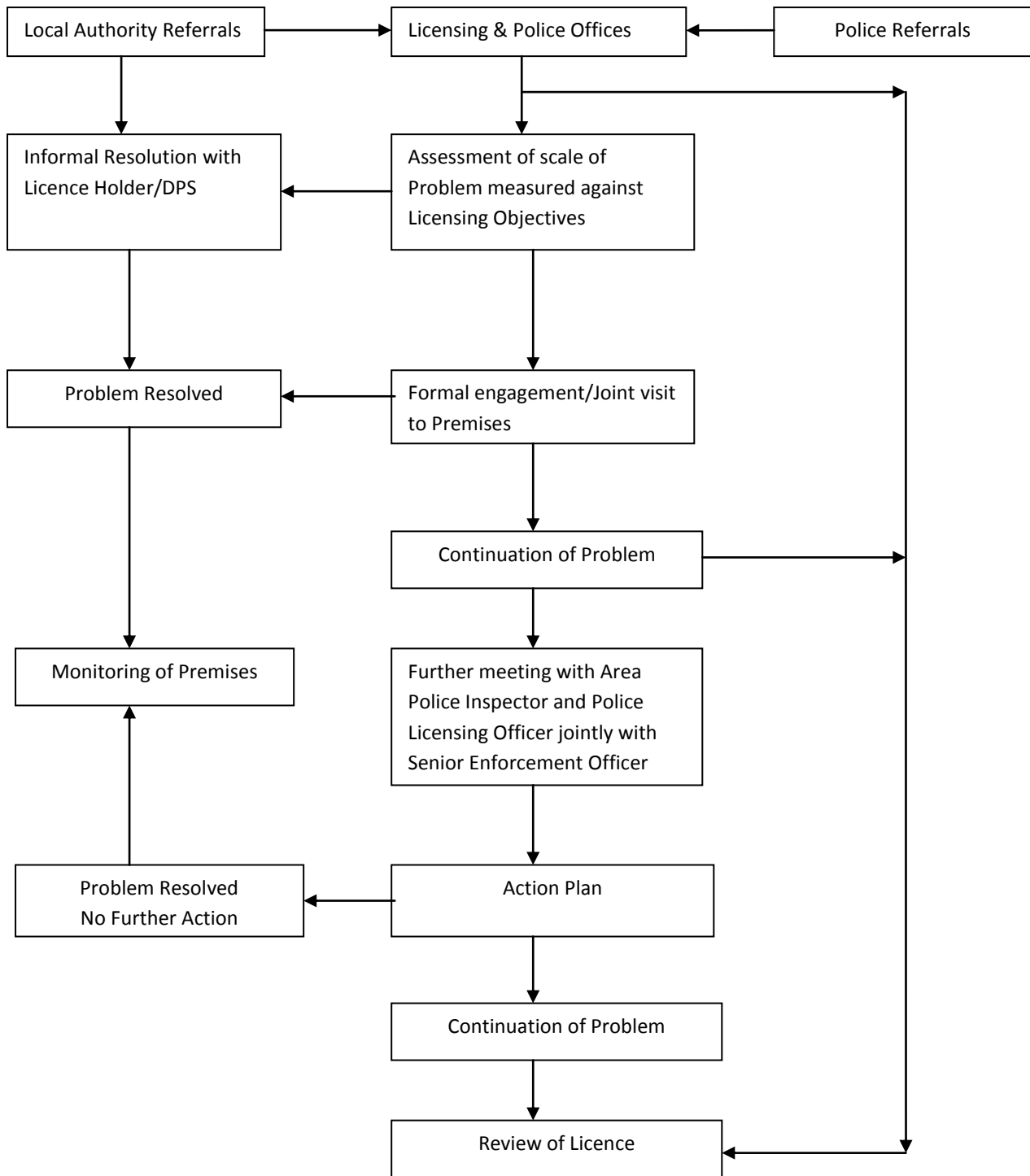
5. Reviews

- 5.1 A responsible authority or any person may ask the Licensing Authority to review a premises licence because of a matter arising at the premises in connection with any of the 4 licensing objectives.
- 5.2 The Licensing Authority will not normally engage its role as a Responsible Authority by calling reviews on behalf of other persons, such as local residents or community groups. These individuals and groups are entitled to do so in their own right where there are sufficient grounds.
- 5.3 Where Responsible Authorities have concerns about problems identified at a premises, the Licensing Authority considers it to be good practice for them to give licence holders early warning of their concerns and the need for improvement. Where possible and/or appropriate it would be expected that advice and guidance in addressing the issue(s) should be given.
- 5.4 The Licensing Authority draws the attention of Responsible Authorities to the Home office publication, "The Practical Guide for Preventing And Dealing with Alcohol Related Problems – What You Need To Know".

6. Suspension of Licences

- 6.1 The Licensing Authority is under a duty to suspend Premises Licences and Club Premises Certificates where the Licensee has failed to pay the annual fee within a prescribed period. Licences which are suspended shall cease to have effect during the suspension period. Furthermore a licence cannot be transferred during said period

LICENSED PREMISES REVIEW PROCEDURE INCORPORATING JOINT PROBLEM SOLVING



PROGRESSION TO EACH LEVEL IS AN OPTIONAL PROCESS AND THIS FLOWCHART IS DESIGNED AS A TEMPLATE FOR THE MONITORING OF TROUBLESOME LICENSED PREMISES

HOWEVER

DEPENDING ON THE SCALE AND MERITS OF EACH CASE A PREMISES COULD BE MOVED TO THE REVIEW STAGE AT ANY TIME

NORTH WALES POLICE AND LOCAL AUTHORITY LICENSING PARTNERSHIP

PREMISES ENFORCEMENT LADDER

It should be noted that the whole emphasis of this enforcement ladder is to achieve the common aim of 'good housekeeping' and 'best practice' plus working together to achieve this. There is no absolute intention at all to review a license as long as problems are willingly addressed by the Designated Premises Supervisor with the support of the North Wales Police and the Licensing Authority

STAGE ONE Incident of disorder/underage drinking/ attempts to purchase alcohol by underage person or on behalf of underage person in/from a licensed premise where the person in charge calls the police for assistance and agrees to work with the police

If problems continue on from Stage One

STAGE TWO Meeting with Police Inspector / Neighbourhood Sergeant, Western Division, Licensed Premises Manager and representative of the Local Authority. Issues will be formally discussed and formal written warning given.

***Mutual Action Plan** agreed with time span of three months. If no further incidents occur then exit from enforcement ladder*

If problems continue on from Stage Two

STAGE THREE Police Inspector / Neighbourhood Sergeant and Western Division Licensed Premises Manager will apply for review of Premises Licence, as appropriate to the circumstances.

The Police will do everything possible to assist and work together with a Designated Premise Supervisor to come off the enforcement ladder. However, the onus of responsibility is on the Designated Premises Supervisor to run good business/premises.

More serious offences can trigger stage two or three automatically (e.g. Willful serving of Pub Watch excluded persons, assault on police by Designated Premises Supervisor, authorized staff or family) and the discretion for this rests with the Police Inspector. More than two entries (in any 12 month period) onto the ladder will result in an immediate stage 3 review (more than one will result in Stage 2).

Delegation of Functions

Matter	Full Committee	Sub-committee	Officers
Application for Personal Licence		If a Police Objection	If no representation made
Application for Personal Licence with Unspent Convictions		All cases	
Application for Premises / Club Premise Certificate		If a relevant representation made	If no relevant representation made
Application for a Provisional Statement		If a relevant representation made	If no relevant representation made
Application to Vary Premises Licence / Club Premises Certificate		If a relevant representation made	If no relevant representation made
Application to Vary Designated Premises Supervisor		If a Police Objection	All other cases
Request to Be Removed as a Designated Premises Supervisor			All cases
Application for Transfer of Premises Licence		If a Police Objection	All other cases
Application for Interim Authorities		If a Police Objection	All other cases
Application to Review Premises Licence / Club Premises Certificate		All cases	
Decision on Whether a Complaint Is Irrelevant Frivolous or Vexatious etc.			All cases
Decision to Object When Local Authority Is a Consultee and not relevant authority considering the application		All cases	
Determination of a Police Objection to a Temporary Event Notice		All cases	

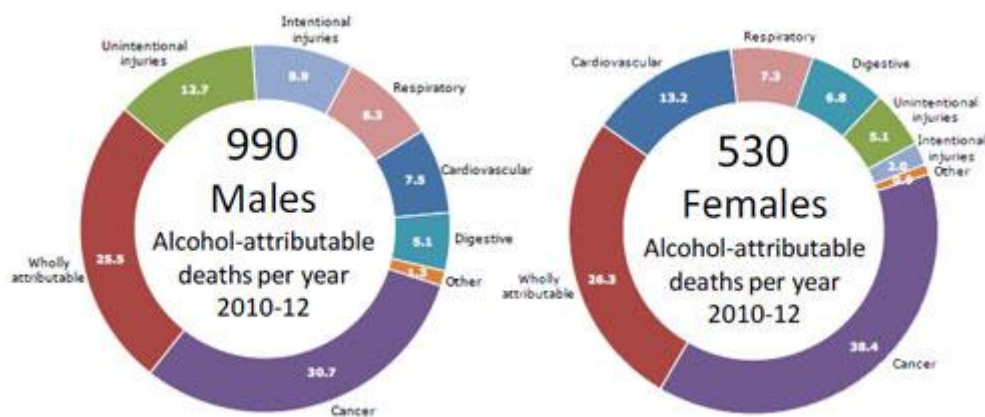
Appendix 'B' – Public Health

ALCOHOL AND HEALTH IN WALES

Alcohol use and its consequences remain a major public health challenge in Wales, the UK and elsewhere. The harmful use of alcohol ranks among the top five risk factors for disease, disability and death throughout the world.

The Public Health Wales Observatory has published [Alcohol and health in Wales 2014](#), updating and extending the previous report released 5 years ago. These are some of the key messages:

- Alcohol is a major cause of death and illness in Wales with around 1,500 deaths attributable to alcohol each year (1 in 20 of all deaths).
- Drinking in children and young people remains a particular concern with 1 in 6 boys and 1 in 7 girls aged 11-16 drinking alcohol at least once a week. Around 400 young people under 18 are admitted for alcohol-specific conditions per year, although the rate has been decreasing for several years.
- Generally, consumption of alcohol has slightly decreased and adults under 45 now drink less. Whilst this decrease is good news, it masks persistent or increased drinking in over 45 year olds.
- Mortality and hospital admission due to alcohol are strongly related to deprivation with rates in the most deprived areas much higher than in the least deprived. There is no sign of improvement in the inequality gap in mortality over time.



Alcohol plays an important and positive role in social and family life and contributes to employment and economic development locally. However, social traditions and economic benefits should not mask the fact that alcohol is a toxic substance that can have a detrimental effect on physical and mental health and wellbeing.

DRINKING LEVELS AND PATTERNS

There's no guaranteed safe level of drinking, but drinking below the recommended daily limits, means the risks of harm to health are low. Even drinking less than lower risk levels is not advisable in some circumstances. Please visit www.drinkwisewales.org.uk.

It is not only the amount of alcohol consumed that increases the risk of harm. Binge drinking, which refers to a pattern of drinking in which a person consumes at least twice the daily recommended amount of alcohol in a single drinking session, can cause acute intoxication and lead to problems such as accidents, injury and violence. Most common in younger age groups, binge drinking is often associated with 'pre-loading'.

Preloading is a term that relates to people, particularly young people, drinking alcohol at home or in streets before going on to pubs and clubs. It has been associated with higher overall alcohol consumption and a greater likelihood of being involved in a violent incident. People pre-load on alcohol because it's much cheaper to buy in the supermarket or other off licence than in a pub or bar.

The Licensing Authority can consider representations from health bodies acting as responsible authorities. The health bodies can provide information that is relevant to the promotion of the licensing objective of public safety, which includes the prevention of accidents and injuries and other immediate harms that can result from alcohol consumption such as unconsciousness or alcohol poisoning.

For example, drunkenness can lead to accidents and injuries from violence resulting in attendances at emergency departments and the use of ambulance services. In some cases, these will also involve breaches of the crime and disorder licensing objective.

In respect of the protection of children from harm there is a duty to protect them from moral, physical and psychological harm and therefore there is lots of potential for health bodies to add value. Under 18 alcohol-related A&E attendances may relate to the objective to protect children from harm and underage or proxy sales of alcohol will have implications for both the crime and disorder and protecting children from harm objectives. Health teams can provide supporting evidence, for example in relation to the effects that drinking alcohol has on the adolescent body.

In some areas, the main barrier to health bodies acting effectively as a responsible authority is that the evidence that they need to support a representation is not routinely collected or available in their area. North Wales police, Welsh Ambulance Service and Betsi Cadwaladr University Health Board are currently working on a pilot project to improve data collection and sharing. It is intended to implement this across the whole of North Wales. The data collected should assist greatly in targeting enforcement where it is needed, informing licensing policy and contributing to the licensing decision making process.

Appendix 'C' - Mandatory Licensing Conditions

The mandatory conditions put in place by the *Licensing Act 2003 (Mandatory Licensing Conditions) Order 2010* were replaced, from 1 October 2014, by those set out in the *Licensing Act 2003 (Mandatory Licensing Conditions) (Amendment) Order 2014*.

A “responsible person” has to ensure compliance with the mandatory conditions. In relation to licensed premises this means:

- the holder of a premises licence in respect of the premises,
- the designated premises supervisor (if any) under such a licence, or
- any individual aged 18 or over who is authorised for the purposes of section 153(4) of the *Licensing Act 2003* by such a holder or supervisor

Where a club premises certificate is in force, a “responsible person” means a member or officer of a club who is present and able to prevent the supply of alcohol.

In relation to the age verification condition, the premises licence/club certificate holder and the designated premises supervisor have specific duties (described in section 5.3 below).

The 2014 Order means that, in addition to the mandatory condition banning below cost sales, four other mandatory conditions now apply, as described below.

Irresponsible promotions

The 2010 Order required “all reasonable steps” to be taken to prevent irresponsible drinks promotions – where the promotions, as defined in the Order, carried a “significant risk” of undermining one or more of the licensing objectives (i.e. the prevention of crime and disorder; public safety; the prevention of public nuisance; and the protection of children from harm).

The 2014 Order now states that the responsible person “must ensure” that irresponsible promotions do not take place. In addition, there are now outright bans on the following activities:

- drinking games or other activities that require or encourage (or are designed to require or encourage) individuals to drink a quantity of alcohol within a time limit, or to drink as much as possible. This does not include “drinking up time”;
- selling or supplying alcohol in association with promotional material on, or in the vicinity of, the premises which can be reasonably considered to condone, encourage or glamorise antisocial behaviour or refer to drunkenness favourably;
- dispensing alcohol directly by one person into the mouth of another – *this was a standalone condition under the 2010 Order*.
- The following promotions are prohibited where there is a “significant risk” to the licensing objectives:
- providing alcohol free or for a fixed or discounted fee
- providing free or discounted alcohol or any other thing as a prize to encourage or reward the consumption of alcohol over a period of 24 hours or less

In relation to what counts as “significant risk”, Home Office guidance states that the following factors may be considered:

- Type of promotion: How big is the discount? For how long does the discount apply?
- Potential customers: Is there likely to be a significant increase in the number of customers? What is the profile of the customer base?
- Type of premises: Is it a high-volume vertical drinking establishment or a community pub?
- History of premises: Have previous promotions been handled responsibly? Has the licence been reviewed recently? Have sufficient security measures been taken for any potential increase in the number of customers?

Where there is any doubt, the guidance recommends that advice should be obtained from the licensing authority and/or police.²⁸

5.2 Potable water

Free potable drinking water must be provided on request where it is “reasonably available”. The 2010 Order had only referred to the provision of free *tap* water.

Home Office guidance explains that what is meant by “reasonably available” is a question of fact: *for example, it may not be reasonable to expect free water to be available in premises for which the water supply had temporarily been lost because of a broken mains supply and where no alternative (for example, bottled water) is available.*

5.3 Age verification

The premises licence holder or club premises certificate holder must ensure that an age verification policy applies to the premises selling or supplying alcohol. This must, as a minimum, require individuals who appear to the person serving alcohol to be under the age of 18 to produce identification bearing their photograph, date of birth and either a holographic mark *or* ultraviolet feature. The addition of the latter feature means that the definition of identification documents that can be used has been widened (some foreign passports and ID cards do not include the holographic mark previously required).

The designated premises supervisor (the person with day-to-day responsibility for the running of the business) has, for the first time, a legal responsibility for ensuring that the sale of alcohol is in accordance with the age verification policy that the premises licence holder is required to have.

Acceptable forms of identification include photo card driving licences; passports; military identification; and proof of age cards bearing the PASS hologram. Other forms of identification that include the required features are acceptable.

An example of an age verification policy is given in Annex A to Home Office guidance on the mandatory conditions.

The age verification condition applies to companies that sell alcohol online or by mail order.

5.4 Smaller measures

The responsible person must ensure that the following drinks, if sold or supplied for consumption on the premises, are available in the following measures:

- beer or cider - half pint
- gin, rum, vodka or whisky - 25ml or 35ml
- still wine in a glass - 125ml

The 2014 Order now requires that measures must be displayed in a menu, price list, or other printed material. Where a customer doesn't specify a measure, they must be made aware of the range of measures available, either verbally or by ensuring that they have seen the printed material. This process does not need to be repeated as long as the customer continues to be aware of the measures available.

Appendix D- Recent Legislative Changes

2. The Live Music Act 2012 and Licensing Act 2003 (Description of Entertainment) (Amendment) Order 2013 removes the licensing requirements for the following:

- 2.1 Film exhibitions for the purposes of advertisement, information, education etc.
- 2.2 Film exhibitions that form part of an exhibit put on show for any purposes of a museum or art gallery.
- 2.3 Music whether live or recorded, which is incidental to other activities which do not require a licence.
- 2.4 Live music as follows:
 - i. amplified live music between 8am and 11pm before audiences of no more than 200 people on premises authorised to sell alcohol for consumption on the premises;
 - ii. amplified live music between 8am and 11pm before audiences of no more than 200 people in workplaces not otherwise licensed under the 2003 Act (or licensed only for the provision of late night refreshment); and
 - iii. Unamplified live music between 8am and 11pm in all venues
- 2.5 Use of television or radio receivers for the simultaneous reception and playing of a programme.
- 2.6 Any entertainment or entertainment facilities at a place of public religious worship.
- 2.7 Entertainment at garden fetes or similar functions unless there is an element of private gain.
 - a) Morris dancing or any dancing of a similar nature or a performance of unamplified
 - b) Live music as a part of such a performance.
 - c) Entertainment on road vehicles in motion.
 - d) performance of a play in front of an audience of 500 persons or less between 8:00 and 23:00
 - e) performance of dance in front of an audience of 500 persons or less 26 (unless it is relevant entertainment within the meaning of Schedule 3 para 2A Local Government (Miscellaneous Provisions) Act 1982 - i.e. certain forms of sexual entertainment); between 8:00 and 23:00
 - f) indoor sporting events in front of an audience of 1,000 persons or less between 8:00 and 23:00.

3. Immigration Bill – published by Central Government in September 2016

- 3.1 The new Immigration Bill, currently going through Parliament, places additional responsibilities on licensing authorities to take action where licence holders are found to not be entitled to work in the United Kingdom. The Bill will also place implications on applicants and the following notes are general guidance at this stage.

3.2 Premises Licences:

- A new section 13(4)(ha) designating the Secretary of State as a responsible authority where the premises (not being a vessel) are being, or are proposed to be, used for a licensable activity.
- A new section 16(2A) disqualifying residents of the UK from applying for a premises licence where the resident is not entitled to work in the UK.
- A new section 27(1A) which will cause a premises licence to lapse if the holder of the licence ceases to be entitled to work in the United Kingdom at a time when the holder of the licence is resident in the United Kingdom (or becomes so resident without being entitled to work in the United Kingdom). A new section 42(5ZA) requiring an applicant to give notice of a transfer request to the Secretary of State.
- A new section 42(8) & (9) stating “Where the Secretary of State is given notice under subsection (5ZA) and is satisfied that the exceptional circumstances of the case are such that granting the application would be prejudicial to the prevention of illegal working in licensed premises, the Secretary of State must give the relevant licensing authority a notice stating the reasons for being so satisfied.
(9) The Secretary of State must give that notice within the period of 14 days beginning with the day on which the Secretary of State is notified of the application under subsection (5ZA).”
- A new section 44(5)(b)(ii) requiring a licensing authority, when considering an application for a transfer of a premises licence and where the notice is given under section 42(8) (i.e. by the Secretary of State), to reject the application if it considers it appropriate for the prevention of illegal working in licensed premises to do so.
- A new section 45(2A) requiring local authorities to give notice of a decision to transfer a licence to the Secretary of State if the Secretary of State gave notice of objection under the new section 42(8) & (9).
- A new section 47(3A) disqualifying any person not entitled to work in the UK from applying for an interim authority notice.
- A new section 48(2A) requiring licensing authorities to give notice to the Secretary of State of all applications submitted for an interim authority notice. Where the Secretary of State is satisfied that the exceptional circumstances of the case are such that a failure to cancel the interim authority notice would be prejudicial to the prevention of illegal working in licensed premises, the Secretary of State will give notice to the licensing authority setting out reasons.

3.3 Personal Licences:

A new section 113(2A) inserting new “immigration offence”.

- New subsections 5-8 for section 113 introducing new “immigration penalties”.
- A new section 115(2A) which will cause a personal licence to cease to have effect if the holder of the licence ceases to be entitled to work in the United Kingdom.
- A new section 120(5A) placing a new requirement on the licensing authority to notify the Secretary of State where an applicant for a personal licence has complied with the statutory requirements (i.e. subsection 2(a) to (c)) but not subsection 2(d) (i.e. has relevant immigration related offences/convicted of a foreign offence etc.).

- 3.4 Where the Secretary of State is satisfied that granting the licence would be prejudicial to the prevention of illegal working in licensed premises, the Secretary of State must, within the

period of 14 days beginning with the day the Secretary of State received the notice under subsection (5A), give the authority a notice stating the reasons for being so satisfied (an “immigration objection notice”).

- A new section 124(3A) & (3B) placing a new requirement on the licensing authority to notify the Secretary of State where a personal licence holder has been convicted of an immigration related offence subsequent to the grant of the licence.
- Where the Secretary of State is satisfied that continuation of the licence would be prejudicial to the prevention of illegal working in licensed premises, the Secretary of State must, within the period of 14 days beginning with the day the Secretary of State received the notice under subsection (3A), give the authority a notice stating the reasons for being so satisfied (an “immigration objection notice”).

Read the full Bill here: <http://www.publications.parliament...74/15074.pdf>

4. **Deregulation Act**

4.1 **Late Night Refreshment Exemptions**

Paragraph 2A of Schedule 2 to the 2003 Act (as inserted by the Deregulation Act 2015) gives licensing authorities powers to exempt premises, in certain circumstances, from the requirement to have a licence to provide late night refreshment. Decisions to exempt supplies of late night refreshment are best made with local knowledge. The powers therefore allow licensing authorities to choose to apply an exemption specifically where they think it will be helpful to businesses and where there are no problems with antisocial behaviour or disorder associated with the night time economy. As well as freeing up the businesses in question from unnecessary costs, this can also provide greater flexibility for licensing authorities to target their resources more effectively.

4.4 The powers allow a relevant licensing authority to exempt the supply of late night refreshment if it takes place:

- on or from premises which are wholly situated in a designated area;
- on or from premises which are of a designated description; or
- during a designated period (beginning no earlier than 11.00 p.m. and ending no later than 5.00 a.m.).

4.4 When choosing to designate a particular area as exempt, the relevant licensing authority must define the location, which can be of any size.

4.5 When choosing to designate particular categories of premises as exempt, a licensing authority can only exempt types of premises set out in the regulations. These are:

- motorway service areas;
- petrol stations;
- local authority premises (except domestic premises) unless there is an event taking place at which more than 500 people are present;

- schools (except domestic premises) unless there is an event taking place at which more than 500 people are present;
- hospitals (except domestic premises);
- community premises (church, chapel, village, parish or community hall or other similar building) unless there is an event taking place at which more than 500 people are present;
- licensed premises authorised to sell by retail alcohol for consumption on the premises between the hours of 11pm and 5am.

4.6 *Licensing authorities do not have to use the exemptions at all and can continue to require all late night refreshment providers to be licensed. However, licensing authorities should consider deregulation where appropriate.*

5. **Community and Ancillary Sellers Notice**

Draft and/or secondary legislation has not yet been finalised for CAN's (Community and Ancillary Sellers Notice) but it is envisaged that there will be an ability for community groups and small business accommodation providers to provide/sell limited amounts of alcohol to apply for a CAN. The CAN would last for a three year term with the possibility that Environmental Protection service and the Police could object from the outset.

Option possibly contained in the legislation may include the following

- Alcohol may be sold between 7am and 11pm
 - Notice will be given to the licensing authority
 - The prescribed fee will be paid
 - Police, Environmental Health Authority and licensing authority can object if a CAN will undermine the licensing objectives. Where problems arise, the police and environmental health authority can object, with the result that the CAN may be revoked.
 - Police and licensing authority officers will have rights of entry to investigate where users are in breach of the CAN conditions.
 - No right to a hearing or appeal if a CAN is revoked
-
- Sale of alcohol must be ancillary to provision of goods or services by the business.
 - Sale of alcohol from single named premises.
 - Alcohol for consumption on the named premises
-
- Sale of alcohol must be made by or on behalf of a community group that does not trade for profit.
 - Sale of alcohol must be ancillary to an organised community event.
 - Sales of alcohol may be made from up to three named premises.
 - Sales of alcohol for consumption at organised events of up to 300 people

Appendix 'E' - Glossary of Terms

Authorised Persons – Authorised persons are bodies empowered to carry out inspection and enforcement roles under the Licensing Act 2003.

Club premises certificate – Authorising a **qualifying club** to carry out 'qualifying club activities' under the Licensing Act 2003. This includes time-limited certificates.

Conditions – there are three types of conditions

1. **Proposed Conditions** – are conditions proposed by the applicant in the operating schedule.
2. **Imposed Conditions** – are conditions imposed by the licensing authority after its discretion has been engaged following the receipt of relevant representations.
3. **Mandatory Conditions** – are conditions prescribed by the Act and are included in every premises licence or club premises certificate when specified licensable activities take place.

Cumulative impact area – Area that the **licensing authority** has identified in their licensing policy statement as having a saturation of licensed premises and the 'cumulative impact' of any additional licensed premises could adversely impact on the statutory licensing objectives.

Designated Premises Supervisor (DPS) – This will normally be the person who has been given day-to-day responsibility for running the premises by the **premises licence** holder. Every premises licence that authorises the sale of alcohol is required under the 2003 Act to specify a DPS. The DPS must be a **personal licence** holder. The only exception is for community premises which have made a successful application to the LA to be exempt from the requirement.

Early morning alcohol restriction order – A power under section 119 of the **Police Reform and Social Responsibility Act 2011** to prohibit sales of alcohol for a specific time period between the hours of 12am and 6am, if it is deemed appropriate for the promotion of the licensing objectives.

Expedited/summary review – A chief officer of police can apply for an expedited/summary review of a **premises licence** because of serious crime and/or serious disorder under s.53A of the **Licensing Act 2003**.

Fee bands – In determining the amount of the licence fee for applications for new **premises licences** and **club premises certificates**, and full variations to licences or certificates, each premises falls into a band based on its non-domestic rateable value. Since the introduction of the 2003 Act until 2012/13, the application fees associated with each band for a new licence or certificate have been as follows: Band A (£100); Band B (£190); Band C (£315); Band D [no **multiplier**] (£450); Band D premises licence with **multiplier** (£900); Band E [no multiplier] (£635); Band E premises licence with multiplier (£1,905). The subsequent annual fees associated with each licence or certificate are as follows: Band A (£70); Band B (£180); Band C (£295); Band D [no multiplier] (£320); Band D premises licence with multiplier (£640); Band E [no multiplier] (£350); Band E premises licence with multiplier (£1,050).

Forfeited (personal licence) – Suspension following a court order under s.129 of the **Licensing Act 2003** specified (and where that order has not been suspended, pending an appeal under s.129 (4) or 130 of the Act).

Hearing – Used in the context of applications for a **premises licence** or **club premises certificate** that go to a hearing for determining applications for a premises licence, for provisional statements, to vary a premises licence, for club premises certificates, and to vary club premises certificates.

Judicial review – Includes only those where the High Court notified parties of its decision in the time period specified.

Lapsed (club certificate) – Where a **club premises certificate** has lapsed because it had effect for a limited period, but that period has since expired.

Lapsed (premises licence) – Where a **premises licence** has lapsed due to the death, incapacity, insolvency etc. of the licence holder, as set out under s.27 of the **Licensing Act 2003**. Excludes instances where a premises licence was in effect for a limited period, but the period has since expired (e.g. one-off events).

Late night levy order – A discretionary power for **licensing authorities** under section 125 of the **Police Reform and Social Responsibility Act 2011**. The late night levy is paid by those premises licensed to sell alcohol late at night to raise a contribution to the costs of policing the late night economy.

Late night refreshment – The provision of hot food or drink to the public, for consumption on or off the premises, between 11pm and 5am or the supply of hot food or hot drink to any persons between those hours on or from premises to which the public has access.

Licensing authority – The licensing authority is responsible for the licensing of alcohol, regulated entertainment and late night refreshment.

Minor variation (to licence or certificate) – Applications made under s.41A or s.86A of the **Licensing Act 2003** to make low-risk changes to the terms of a **premises licence** or **club premises certificate**. The fee for a minor variation is prescribed in the Act.

Multiplier – Multipliers are applied to premises used exclusively or primarily for the supply of alcohol for consumption on the premises under the authorisation of a **premises licence (fee bands D and E only)**.

Off-sales – The sale by retail of alcohol for consumption off the premises.

On-sales – The sale by retail of alcohol and the supply of alcohol (by clubs) for consumption on the premises.

Other persons – Any individual, body or business that is likely to be affected by the granting of **premises licence** or **club premises certificate** applications. Other persons may submit relevant representations to the relevant licensing authority and may seek a review of premises licence or club premises certificate.

Personal licence – Authorising an individual to supply or authorise the supply of alcohol in accordance with a **premises licence** under the **Licensing Act 2003**. The application fee for a personal licence is prescribed in the Act.

Premises licence – Authorising premises to be used for the sale or supply of alcohol, the provision of regulated entertainment or the provision of **late night refreshment**, under the **Licensing Act 2003**.

This includes time-limited premises licences. A premises licence fee is based on its non-domestic rateable value. Application fees vary from £100 (Band A) to £1,905 (Band E with multiplier); annual fees vary from £70 to £1,050.

Qualifying club – A number of criteria must be met to be considered a qualifying club for a **club premises certificate**. They are:

- that under the rules of the club, persons may not be admitted to membership or be admitted as candidates for membership, or to any of the privileges of membership without an interval of at least two days between their nomination for membership and their admission;
- that the club is established and conducted in good faith as a club;
- that the club has at least 25 members; and
- that alcohol is not supplied to members on the premises otherwise than by or on behalf of the club.

Relevant representations – Representations which are about the likely effect of the grant of the **premises licence** or **club premises certificate** applications on the promotion of the licensing objectives, that are made by a responsible authority or other person within the period prescribed under section 17(5)(c) of the Act, that have not been withdrawn, and in the case of representations made by a other persons, that they are not, in the opinion of the relevant licensing authority, frivolous or vexatious.

Responsible authority – Public bodies that must be notified of certain **premises licence** or **club premises certificate** applications and are entitled to make representations to the licensing authority. They include

- the licensing authority and any other licensing authority in whose area part of the premises is situated,
- the chief officer of police for any police area in which the premises are situated,
- the fire and rescue authority for any area in which the premises are situated,
- the Local Health Board for any area in which the premises are situated,
- the enforcing authority for Health and Safety at Work etc. Act 1974 for any area in which the premises are situated,
- the local planning authority for any area in which the premises are situated,
- the local authority responsible for minimising or preventing the risk of pollution of the environment or of harm to human health in any area in which the premises are situated in relation to,
- a body which represents those who, in relation to any such area, are responsible for, or interested in, matters relating to the protection of children from harm, and are competent to advise such matters,
- in relation to a vessel, a navigation authority having functions in relation to the waters where the vessel is usually moored or berthed or any waters where it is, or is proposed to be, navigated at a time when it is used for licensable activities,
- the local authority responsible for weights and measures in any area in which the premises are situated.

Review – Following the grant of a **premises licence** or **club premises certificate** a **responsible authority** or **other person** may ask the licensing authority to review the licence or certificate because of a matter arising at the premises in connection with any of the four licensing objectives.

Revoked (personal licence) – If the holder of a **personal licence** is convicted of an offence during the application period for the licence, the licence may be revoked under s.124 of the **Licensing Act 2003**.

Surrender (of licence) – If the holder of a licence wishes to surrender it, it is done according to the provisions under section 28 (for a **premises licence**), section 81 (for a **club certificate**) and section 116 (for a **personal licence**).

Temporary event notice (TEN) – A notice under s.100 of the **Licensing Act 2003**, used to authorise relatively small-scale licensable activities, subject to certain criteria and limits. Includes only notices that have been correctly and properly given in the time period specified i.e. excludes notices that were sent back because of mistakes on the form. This also includes notices that were subsequently withdrawn. The fee for a TEN is prescribed in the Act.

Variation (to premises licence) – Applications made under s.34 of the **Licensing Act 2003** to change the terms of a **premises licence**, for example the opening hours, the licensable activities or the conditions. The fee for a variation of **DPS** is prescribed in the Act.

Variation (to club premises certificate) – Applications made under s.84 of the **Licensing Act 2003** to change the terms of a **club premises certificate**, for example the qualifying club activities or the conditions.

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ISLE OF ANGLESEY COUNTY COUNCIL	
Meeting:	County Council
Date:	10 March 2016
Title of report:	Joint Local Development Plan - Amended timetable to be included in the Delivery Agreement
Portfolio Holder(s)	Councillor Richard Dew
Lead Officer(s)	Jim Woodcock, Head of Planning and Public Protection Services
Report Author: Tel: E-mail:	Nia Davies, Planning Manager (Policy) 01286 679890 <u>niahafdavies@gwynedd.gov.uk</u>
Local Members:	Relevant to all Members
Purpose of Report:	To remind the Council of the context for making decisions and the process to prepare the Deposit Plan. To report on the amended timetable of the Joint Local Development Plan, in order to: (i) comply with operational arrangements to which both individual Councils agreed in 2010 (ii) reflect the situation after the public consultation on the Deposit Plan; (ii) obtain the Council's approval to the amended timetable prior to submitting it to Welsh Government.
Recommendation	That the Council approves the amended timetable.

The context of making decisions on documents associated with preparing the Joint Local Development Plan

1. In June 2010, it was resolved that a planning policy service would be provided jointly between the Isle of Anglesey County Council Planning Authority and Gwynedd Planning Authority. In order to be able to provide a joint planning policy service, it was considered that a Joint Planning Policy Unit and a Joint Planning Policy Committee would be required. This Committee would act as a cross-boundary body to make decisions on behalf of both Councils at specific times during the process of preparing the Plan.

2. In October 2010, both Councils individually resolved to act upon the decision made in June to create a Joint Planning Policy Committee by:
 - a. implementing the necessary amendments to their constitutions, and

- b. approving a formal agreement between both Councils which details the responsibilities of the Committee and the constitutional, operational and administrative arrangements for it.
3. Under the agreement, which was signed by both Councils individually, the responsibilities of both Councils individually and the responsibilities of the Joint Planning Policy Committee are set out.
4. Under the agreement, the role of the individual Councils is to approve the Delivery Agreement and adopt the Plan. Under the agreement, the role of the Joint Planning Policy Committee is to advise on the Delivery Agreement, advise on the Preferred Strategy document, agree on the Deposit Plan, agree on the focused changes, and finally accept the report of the Inspector prior to submitting it to both Councils individually for approval.
5. The Isle of Anglesey County Council and Gwynedd Council have collaborated since 2011 to prepare a Joint Local Development Plan for the Gwynedd Planning Authority area and the Isle of Anglesey County Council area.

Delivery Agreement - amended timetable

6. The Delivery Agreement notes how and when both Councils will prepare the Joint Local Development Plan. It has taken longer than anticipated in the original Delivery Agreement to go through the statutory steps. The reasons for the slippage include coping with two local elections (Gwynedd Council elections in May 2012 and the Isle of Anglesey County Council elections in May 2013); national planning policy changes which needed to be considered; work to collect and analyse essential evidence which took longer than anticipated; the evolving challenges associated with the Energy Island Programme. The existing Delivery Agreement was approved by both Councils individually by the end of December 2014. It was supported by Welsh Government in January 2015.
7. A public consultation on the Deposit Plan was conducted during February and March 2015. The table in the current Delivery Agreement identifies an indicative timetable for going through the steps after the public consultation. It was not possible to provide a final timetable until such time as it was possible to register and start to analyse the representations received during the public consultation period.
8. In accordance with the Regulations regarding preparing local development plans, local planning authorities are required to review their Delivery Agreements regularly in order to e.g. ensure that the timetable is current.
9. The Joint Local Development Plan Panel was notified about the amended timetable when it met in June 2015. Membership of the Panel is the same as the membership of the Joint Planning Policy Committee. Edition 5 of the Local Development Plan Newsletter provided information about the amended timetable. The Newsletter was sent to specific and general stakeholders as well as individuals and organisations on the contacts list. A copy can be viewed on both Councils' website at: <https://www.gwynedd.llyw.cymru/cy/Cyngor/Dogfennau-Cyngor/Strategaethau-a-pholisiau/Cynllunio-ac-amgylchedd/Polisi-cynllunio/Newyddlenni/Newyddlen->

[Gorffennaf-2015.pdf](#). Members of the Isle of Anglesey County Council Executive Committee and members of Gwynedd Council's Cabinet received an update about the timetable during November 2015.

10. In accordance with the agreement between both Councils, the Joint Planning Policy Committee considered the amended timetable at its meeting on 29 January 2016. The Joint Planning Policy Committee resolved to recommend that both Councils individually approved the amended timetable seen in **Appendix 1 to this report**. Therefore, it is emphasised that the only purpose of this report is to seek the approval of the Full Council (in accordance with the requirements of the relevant regulations) to the amended timetable to prepare the Plan.
11. A similar report was considered by Gwynedd Council on the 3rd March 2016 and Gwynedd Council resolved to approve the timetable.
12. After the Councils have approved the amended timetable the Delivery Agreement will be amended accordingly and sent to Welsh Government for its support. The amended Delivery Agreement and the Welsh Government letter will then be placed on the websites of both Councils.

Implementing other decisions made by the Joint Planning Policy Committee

13. You will note that the table in Appendix 1 identifies the statutory steps that form part of the process to prepare local development plans as well as setting a timetable for them. The statutory steps include making a decision about the content of the Deposit Plan for public consultation and then making a decision about how to respond to the objections submitted during the public consultation before submitting the Plan to the Public Examination.
14. As you are aware, the development of the Deposit Plan has been based on collecting and analyzing evidence about a variety of topics. This evidence base includes the Sustainability Appraisal, Language Impact Assessment, Equalities Assessment, Habitat Regulations Assessment and Health Impact Assessment. The process associated with these assessments has been an iterative one and has followed a recognized methodology. The link to see reports about these assessments is provided at the end of this report, for information.
15. Anyone with an interest in the Plan had an opportunity to express their views about it during the public consultation held during February and March 2015. In accordance with the agreement between both Councils, the Joint Planning Policy Committee received a report about the objections during a meeting on the 29 January 2016, in order to determine how to tackle the objections. A link to the report and its appendices that were considered by the Committee is provided at the end of this report. At the end of the meeting the Joint Planning Policy Committee resolved to approve:

- (i)
 - a. Responses to the observations received during the public consultation period about the Deposit Plan
 - b. Focused Changes to the Deposit Plan
 - c. Minor Amendments to the Deposit Plan.
 - (ii) submitting the Plan and an appendix of focused changes to Welsh Government for examination
 - (iii) publishing focused changes for public consultation.
16. Whatever the Joint Planning Policy Committee's decision about the objections submitted regarding the Plan, the objectors have the right to have their objections considered by the independent Inspector at during the Public Examination of the Plan, either as a written representation or during a hearing session.
 17. In accordance with the decision of the Joint Planning Policy Committee on 29 January 2016, a public consultation about a schedule of Focused Changes has started since 25 February 2016. The public consultation period will end on 13 April 2016. The observations received about the Focused Changes will be registered and a complete copy of every observation will be sent to the Inspector appointed to conduct a Public Examination of the Plan.
 18. The Programme Officer for the Public Inquiry of the Plan has been appointed. The Officer is now creating a hard copy and electronic Library for the Examination; is discussing the requirements of the Planning Inspectorate in terms of the location of an office for the Inspector and Public Hearings sessions; is collecting stationery e.g. headed paper with contact details already included.
 19. A Service Level Agreement with the Planning Inspectorate has been signed by the Joint Planning Policy Unit (on behalf of both Councils) and the Planning Inspectorate.
 20. The Joint Planning Policy Unit is currently completing documents required for submission to Welsh Government and the Planning Inspectorate.
 21. The Planning Inspectorate has identified an Inspector to lead the Public Examination of the Plan and two hard copies of the Deposit Plan have been sent to the Planning Inspectorate in order for the Inspector and an assistant to start familiarising themselves with its content. The Planning Inspectorate will announce the name of the Inspector and any assistant during March 2016.
 22. The Planning Inspectorate and Welsh Government have notified us of how many hard copies of the Topic Papers and the Background Papers they will require. Work to print the required number of hard copies is underway.
 23. The aim is to provide the necessary material to the Planning Inspectorate and Welsh Government during the week commencing 7 March 2016 in order to complete the submission process.

Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	No comment
2	Finance / Section 151 (mandatory)	No comment
3	Legal / Monitoring Officer (mandatory)	No comment
5	Human Resources (HR)	Not relevant
6	Property	Not relevant
7	Information Communication Technology (ICT)	Not relevant
8	Scrutiny	Not relevant
9	Local Members	Not relevant
10	Any external bodies / other/s	Not relevant

Recommendation

24. That the Council approves the amended timetable seen in Appendix 1 to prepare the Joint Local Development Plan in order to comply with legislative requirements.

Appendix: Amended timetable for preparing the Joint Local Development Plan

Background documents:

Topic Papers and Background Papers

<http://www.anglesey.gov.uk/planning-and-waste/planning-policy/joint-local-development-plan-anglesey-and-gwynedd/supporting-documents/>

Reports regarding various assessments

<http://www.anglesey.gov.uk/planning-and-waste/planning-policy/joint-local-development-plan-anglesey-and-gwynedd/appraisals-and-assessments/>

Joint Planning Policy Committee Report 29/1/16

<http://democracy.anglesey.gov.uk/ieListDocuments.aspx?CId=159&MId=2865&Ver=4&LL=L=0>

APPENDIX 1: Amended timetable for preparing the Joint Local Development Plan

Step in the preparation process		Timetable in the current Delivery Agreement	Amended Timetable
1.	Preparing and publishing the final Delivery Agreement (<i>Regulation 5 - 10</i>)	January - November 2011	not applicable
2.	Review and develop the evidence base	January 2011 - October 2012	not applicable
3.	Pre-deposit participation – preparing the pre-Deposit documents that will outline the main aims and preferred strategy (<i>Regulation 14</i>). This will not be a full draft of the Joint LDP	January 2011 - October 2012	not applicable
4.	Pre-deposit Consultation – a period of 6 weeks (<i>Regulation 15</i>). Formal consultation on the pre-Deposit documents and the sustainability appraisal report	May - June 2013	not applicable
5.	Participation – further develop the evidence base and prepare the Deposit Joint LDP (full draft plan) which is based on the evidence base, including the response to the pre-deposit documents	July 2013 – December 2014	not applicable
6.	Place the Joint LDP and associated documents on deposit – consultation period of 6 weeks (<i>Regulation 17</i>)	February 2015 – March 2015	not applicable
7.	Consideration of comments about the Deposit Joint LDP (<i>Regulations 18 & 19</i>)	April 2015 - November 2015	April 2015 - December 2015
8.	Publish observations regarding alternative sites and consultations upon them – a period of 6 weeks (<i>Regulations 20 & 21</i>)	June - July 2015	No longer required
9.	Submit the Joint LDP to Welsh Government for Public Examination (<i>Regulation 22</i>)	December 2015	February 2016

10.	Independent Examination (<i>Regulation 23</i>)	Public Period	April 2016	February 2016 - January 2017
11.	Publishing the Inspector's Report (<i>Regulation 24</i>)		October 2016	January 2017
12.	Adoption of the Joint LDP (<i>Regulation 25</i>)		December 2016	February 2017
13.	Monitoring and Reviewing		Annual report	Annual report

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Executive and Council
Date:	Informal Executive – 30th November 2015 Executive – 14th December 2015 Council - 10th March 2016
Subject:	Corporate Asset Management Plan for Land & Buildings 2015 - 2020
Portfolio Holder(s):	Councillor J Arwel Roberts
Head of Service:	Dewi R Williams (HOS Highways, Waste & Property)
Report Author: Tel: E-mail:	Chris Staddon (Corporate Assets Transformation Manager) 2273 ChrisStaddon@anglesey.gov.uk
Local Members:	N/A

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

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

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

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

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

C – Why is this a decision for the Executive?

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

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

Yes

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

Budget not required for implementing recommendations in the plan.

DD – Who did you consult?

What did they say?

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

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

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

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

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





CORPORATE ASSET MANAGEMENT PLAN FOR LAND & BUILDINGS 2015 – 2020



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EXECUTIVE SUMMARY

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

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

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

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

The following are the key headlines of this plan:

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

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

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

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

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

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

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

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

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

Smallholdings: The two main issues that require addressing are:

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

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

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

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

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

Additional actions of this plan are to:

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

SECTION 1

1.1 Introduction

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

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

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

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

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

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

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

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

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

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

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

DRAFT

1.2 Scope and Drivers

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

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

Out of scope are assets such as:

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

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

Key Driver 1 – The Corporate Plan 2013-2017

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

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

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

Key Driver 2 - Achieving Efficiencies

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

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

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

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

Key Driver 3 – Future Service Delivery

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

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

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

Key Driver 4 - Reducing Repair Liabilities

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

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

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

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

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

1.3 The Land & Property Asset Base

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

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

Sites by Asset Category

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

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

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

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

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

¹ Taken from Council Statement of Accounts 2013/2014

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

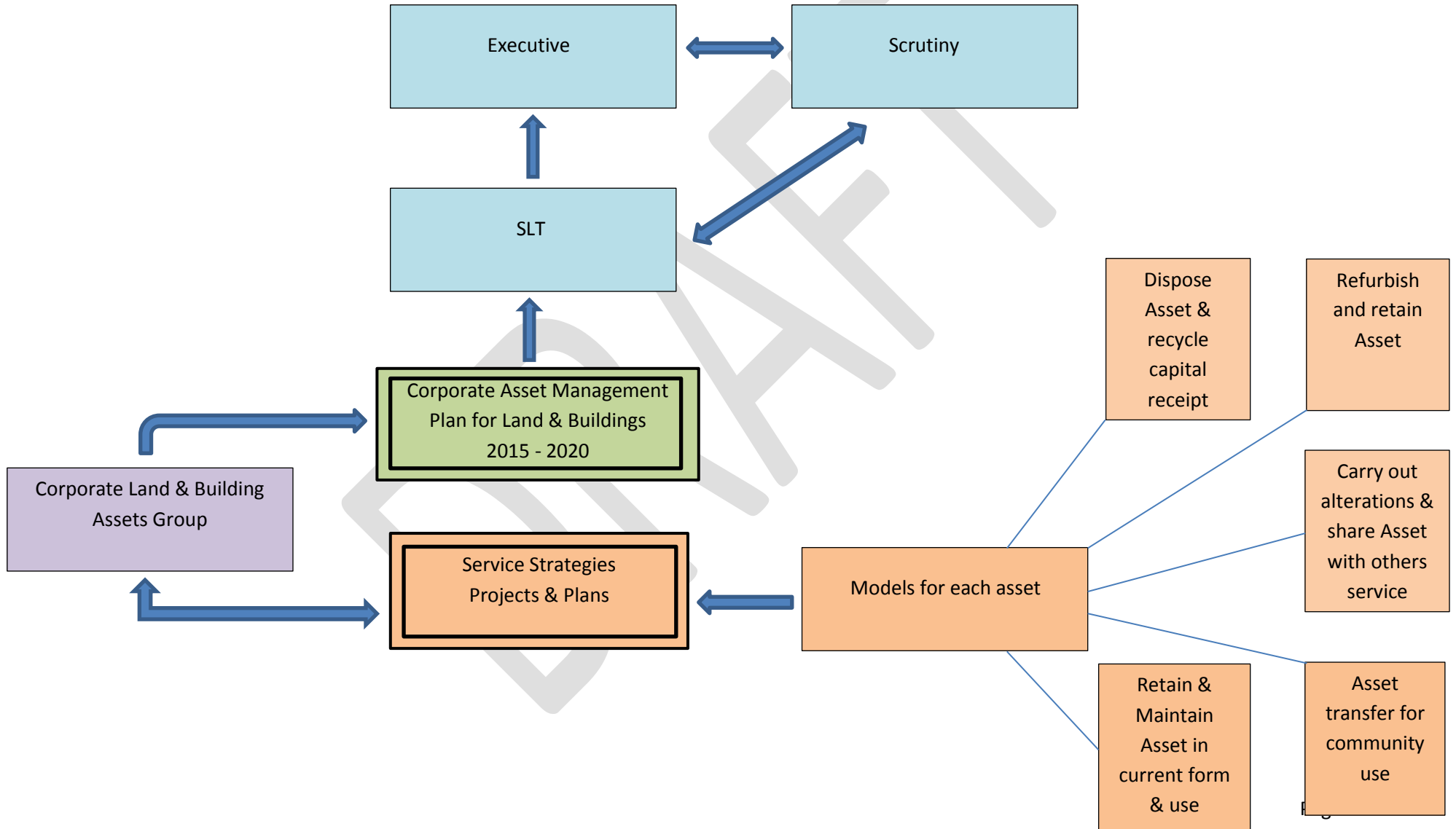
”It has been identified that a poor fit between service requirements and the property asset from which it is delivered is a risk to the Authority. If the asset does not support service delivery it will detract from the Councils services to its citizens².”

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

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

² RICS Public Sector Asset Management Guide to Best Practice

Asset Strategy Model



1.4 Managing the Assets

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

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

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

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

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

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

³ Hot Property Audit Report 2005

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

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

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

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

- Update Required
- Update Required

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

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

The role of the group is to:

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

The aims of the group are:

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

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

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

Council Leader -----
Cllr Ieuan Williams

Chief Executive-----
Dr Gwynne Jones

SECTION 2 – WORKING DOCUMENT

2.1 Service Transformation

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

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

2.1.1 Education Transformation

The main drivers behind the School Modernisation Programme are:

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

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

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

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

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

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

The modernisation agenda programme will therefore involve:

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

This will result in:

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

2.1.1.1 Implementation timescale

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

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

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

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

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

2.1.1.2 Outline cost of the Programme

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

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

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

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

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

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

2.1.2 Office Rationalisation & Smarter Working Project

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

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

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

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

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

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

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

⁴ Flexibility.co.uk

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

Annual Savings:

Rovacabin - £30k

Parc Mount - £52k

Mon Training - £24k

Penyrorsedd House - £13k

Hen Ysgol y Graig - £38k

Cynnal - £6.5k

Ty Wil - £15k

Total - £178.5k p.a.

Potential Capital Receipts:

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

Rovacabin - £130k

Parc Mount - £300k

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

Penyrorsedd House - £133k

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

Total - circa £600k

Taken from Smarter Working Project Business Case Sept 2014

2.1.2.1 Relocate Training Rooms From Tŷ Will

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

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

2.1.3 Shire Hall

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

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

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

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

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

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

2.1.4 Older Adult Social Care Transformation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.1.5 The Small Holding Estate

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

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

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

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

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

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

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

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

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

2.1.6 Housing Strategy

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

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

2.1.6.1 Affordable Housing

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

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

2.1.6.2 Gypsy & Travellers Sites

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

2.1.6.3 Future Housing Need

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

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

2.1.6.4 Housing Revenue Account (HRA)

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

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

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

2.1.6.5 Housing Stock Analysis

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

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

2.1.6.6 Size of accommodation required

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

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

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

Source: Isle of Anglesey Local Housing Market Assessment, 2013

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

2.1.6.7 Key Housing Priorities 2014 / 2015

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

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

2.1.7 Highways Asset Management Plan (HAMP)

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

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

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

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

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

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

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

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

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

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

The potential benefits to be gained by this HAMP include:

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

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

2.1.8 Waste Management Strategy

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

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

2.1.8.1 Household Waste Recycling Centres (HWRCs)

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

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

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

2.1.8.2 Public Conveniences

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

2.1.9 Leisure Function Plan

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

2.1.10 Library, Youth, Culture & Heritage Assets Strategies

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

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

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

2.1.11 Parks, Open Areas & Sundry Properties

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

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

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

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

2.1.12 Industrial Portfolio

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

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

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

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

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

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

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

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

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

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

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

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

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

2.1.13 Retail Portfolio

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

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

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

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

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

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

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

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

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

2.1.14 Maritime Assets

The Maritime Section has the following assets:

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

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

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

2.2 Energy Efficiency

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

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

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

Further objectives will be defined by the outcomes of Objective 4

The key drivers for doing this project are:

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

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

2.3 Listed Buildings

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

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

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

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

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

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

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

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

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

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

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

2.4 Asset Rationalisation

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

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

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

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

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

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

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

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

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

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

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

2.5 Conclusion and Action Plan

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

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

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

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

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

DRAFT

Asset Management Action Plan

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

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

Appendix 1 – Summary of Current Capital Budget 2014/2015

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

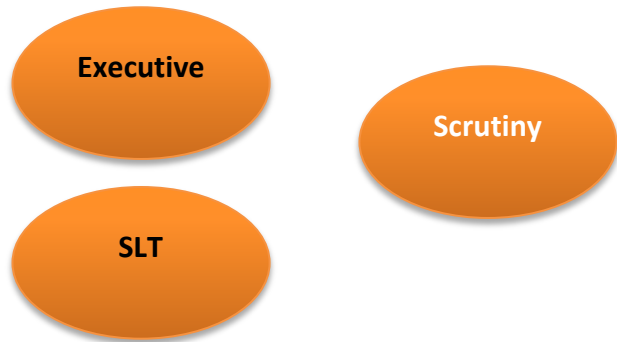
Slippage 2013/14 £'000	Budget 2014/15 £'000	SERVICE	Detail of the planned Capital Expenditure	Budget Amount ('000)	External Funding (specific grants & contributions) ('000)	Cost borne by IOACC ('000)
		Housing				
		Public Sector Housing :				
1,351	5,734	Housing Revenue Account Capital Programme	Planned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

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

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

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

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



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

SLT – Guides the strategic direction of the Council.

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

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

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

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

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

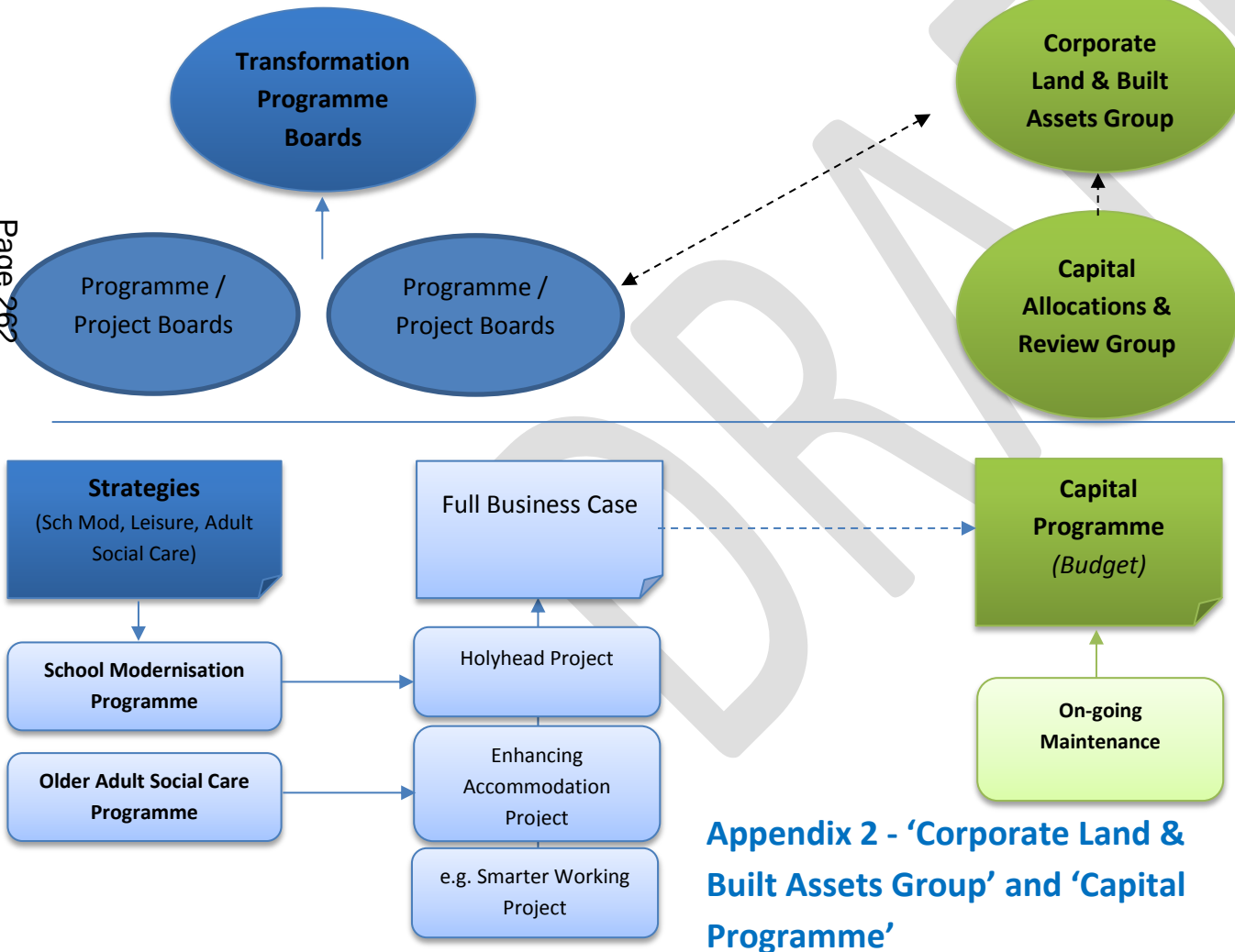
Capital Programme (Budget)
The record of the Authorities' capital budget

On-going Maintenance
The planned and unplanned maintenance of assets

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

Programmes/Projects
Delivering complex change in response to the Strategy

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



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

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

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

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

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

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

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

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

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

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

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

Comment

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

Appendix 5 – Listed Building Register

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

Appendix 6 – Rationalization Register

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

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

DRAFT

Date: October 2015

Status: Draft

Version: For Approval

Author: Chris Staddon – Corporate Assets Transformation Manager

Approval Date:

DRAFT

PRAWF BUDD Y CYHOEDD PUBLIC INTEREST TEST

(Teitl yr Adroddiad/Title of Report) Datganiad Polisi Tâl/Pay Policy Statement 2016

Paragraff(au) Paragraph(s) 13, 14	Atodlen 12A Deddf Llywodraeth Leol 1972 Schedule 12A Local Government Act 1972
Y PRAWF – THE TEST	
<p>Mae yna fudd y cyhoedd wrth ddatgelu oherwydd / There is a public interest in disclosure as:-</p> <p>Mae budd i'r cyhoedd wybod am faterion sy'n ymwneud â sefydliad y Cyngor a gweithwyr y Cyngor gan eu bod yn weithwyr cyhoeddus. Mae diddordeb uniongyrchol gan y cyhoedd yng nghostau gwasanaethau ac arbedion effeithlonrwydd.</p> <p>There is public interest in knowing of matters which relate to the Council's establishment as public sector workers. The public have direct interest in the cost of services and efficiency savings.</p>	<p>Budd y cyhoedd with beidio datgelu yw / The public interest in not disclosing is:-</p> <p>Mae yna ddisgwyliad rhesymol fod pob mater sy'n ymwneud â gweithiwr unigol y Cyngor yn cael eu trin yn gyfrinachol. Mae'r adroddiad hwn â goblygiadau cyflogaeth sy'n ymwneud ag uwch dîm arweinyddiaeth y Cyngor a mae'n bosib adnabod unigolion o deitl y swydd.</p> <p>There is a reasonable expectation that all matters relating to an individual employee of the Council are treated confidentially. This report has implications in relation to the remuneration of senior leadership team posts and it will be possible to identify individuals from post titles.</p>
<p>Argymhelliad - Mae budd y cyhoedd wrth gadw'r eithriad o bwys mwy na budd y cyhoedd wrth ddatgelu'r wybodaeth. [* - dilêwch y geiriau amherthnasol] Recommendation - The public interest in maintaining the exemption outweighs the public interest in disclosing the information. [* - delete as appropriate]</p>	

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