



**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  
LLANGFNI**

**COUNCIL CHAMBER  
COUNCIL OFFICES  
LLANGFNI**

**DYDD MAWRTH,  
25 MEDI, 2018**

**TUESDAY,  
25 SEPTEMBER 2018**

**→ am 2.00 o'r gloch yp ←**

**→ at 2.00 pm ←**

# A G E N D A

**1. MINUTES**

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

- 15th May, 2018
- 15th May, 2018 (Annual Meeting)
- 7th June, 2018 (Extraordinary)
- 16th July, 2018 (Extraordinary)

**2. DECLARATION OF INTEREST**

To receive any declaration of interest from a 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. NORTH WALES FIRE AND RESCUE AUTHORITY: 2019-20 FINANCIAL UPDATE AND CONSULTATION**

To receive a presentation from the Chief Fire Officer.

A copy of the consultation is attached :-

<http://www.nwales-fireservice.org.uk/media/338361/v-fire-corporate-comms-rrp-2018-large-consultation-document-final-wednesday-north-wales-fire-and-rescue-service-public-consultation-2018.pdf>

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

To submit the following question on notice by Councillor Peter Rogers to Councillor Robin Williams, the Portfolio Holder for Finance :-

*‘The late Mr David Hughes who died in 1609 left a legacy of over 1,200 acres of land to support Education on the Island. In 1887 this endowment was contributing £1,400 per annum. How much did Education benefit on the Island last year?’*

**6. NOTICE OF MOTION PURSUANT TO RULE 4.1.13.1 OF THE CONSTITUTION**

- To submit the following Notices of Motion by **Councillors Aled M Jones, Kenneth P Hughes and Robert Llewelyn Jones**:-

(1) *“The Constitution of Anglesey County Council should be amended to allow individuals of the public and interest parties i.e. Governors of a school to address The Executive Committee or Cabinet of The County Council”.*

(2) *“The Constitution of Anglesey County Council should be amended to*

*allow webcasting of both Scrutiny Committees”.*

(3) *“The Constitution of Anglesey County Council should be amend to allow motions to be discussed at full Council meetings that have been proposed by members of the public and supported by the signatures of 50 individuals who live on the Isle of Anglesey”.*

- To submit the following Notice of Motion by **Councillors Robert Llewelyn Jones and Bryan Owen:-**

“In view of the imminent changes that will come about as a result of Brexit, that a Panel be set up to obtain information on possible problems and to press home to the Welsh and British Governments the need for a sound approach to support these industries on Ynys Môn in all ways possible.

- (1) *The farming industry which is a very important employer on Ynys Môn.*
- (2) *The port of Holyhead, again a large employer that will be in the frontline of changes.*
- (3) *Wylfa Newydd, the pylons, and what the withdrawal from the E.E.C., will mean to the funding and feasibility of the project.*

*We represent the people of Ynys Môn and we need to show that we understand their concerns and support them in every way possible.*

We are entering into unchartered waters and need to be seen to be working as an elected body doing all we can to assist these very important industries on YNYS MÔN to survive and prosper after we leave the E.E.C. It is too important to leave it to other government departments to look after our Island economy in these uncertain times.

## **7. PRESENTATION OF PETITIONS**

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

## **8. STATEMENT OF ACCOUNTS AND ISA 260**

To present the the following reports, as submitted to the Audit and Governance Committee on 19<sup>th</sup> September, 2018:-

- Statement of Accounts for 2017/18;
- The External Auditor’s report on the audit of the Financial Statements.

## **9. ANNUAL TREASURY MANAGEMENT REVIEW FOR 2017/18**

To submit a report by the Head of Function (Resources)/Section 151 Officer as presented to the Executive on 17<sup>th</sup> September, 2018.

## **10. ADOPTION OF POWERS BY COUNCIL AND DELEGATION TO OFFICER**

To submit a report by the Head of Function (Council Business)/Monitoring Officer and Head of Regulation & Economic Development as presented to the Executive

on 21<sup>st</sup> May, 2018.

**11. ROLE AND ACCOUNTABILITIES OF THE STATUTORY DIRECTOR OF SOCIAL SERVICES**

To submit a report by the Assistant Chief Executive (Governance and Business Process Transformation and Statutory Director of Social Services) as presented to the Executive on 17<sup>th</sup> September, 2018.

**12. ANNUAL REPORT OF THE STATUTORY DIRECTOR OF SOCIAL SERVICES 2017/18**

To submit a report by the Assistant Chief Executive (Governance and Business Process Transformation and Statutory Director of Social Services) as presented to the Corporate Scrutiny Committee on 5<sup>th</sup> July, 2018, and the Executive on 16<sup>th</sup> July, 2018.

**13. RIGHTS OF WAY IMPROVEMENT PLAN 2018-2028**

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

**ISLE OF ANGLESEY COUNTY COUNCIL**

**Minutes of the meeting held on 15 May 2018**

**PRESENT:** Councillor Richard O Jones (Chair)  
Councillor Dylan Rees (Vice-Chair)

Councillors Lewis Davies, Richard A Dew, John Griffith, Richard Griffiths, Glyn Haynes, T LI Hughes MBE, Vaughan Hughes, Llinos Medi Huws, Aled M Jones, Carwyn Jones, Eric Wyn Jones, G O Jones, R LI Jones, R Meirion Jones, Alun W Mummery, Bryan Owen, R G Parry OBE FRAGS, Alun Roberts, Dafydd Roberts, J Arwel Roberts, Margaret M Roberts, Peter S Rogers, Dafydd R Thomas, Robin Williams.

**IN ATTENDANCE:** Chief Executive,  
Assistant Chief Executive (Partnerships, Community and Service Improvements),  
Head of Function (Council Business)/Monitoring Officer,  
Head of Democratic Services,  
Head of Economic Development and Regulation,  
Strategic Manager Major Infrastructure Projects (RJ) (In respect of Item 7),  
DCO Lead Officer (KH) (In respect of Item 7),  
Chief Planning Officer (DFJ) (In respect of Item 7),  
Committee Officer (MEH)

**ALSO PRESENT:** Ms Paula McGeady (Burgess Salmon Solicitors) (In respect of Item 7)

**APOLOGIES:** Councillor K P Hughes, Shaun Redmond, Nicola Roberts and Ieuan Williams

\* \* \* \*

**Presentation**

The Chair said that the Council wished to recognise the Wales Team who competed in the Commonwealth Games in Australia recently. The Wales Team was successful in gaining 36 medals in total and finished 7<sup>th</sup> in the medals table. He said that it was an honour to celebrate the success of 3 individuals from the Holyhead Weightlifting Club.

A presentation was given to Mr Ray Williams, who is currently the Welsh National Weightlifting Coach and has been the driving force behind the establishment of the Holyhead and Anglesey Weightlifting and Fitness Centre. Mr Williams won a gold medal in the Commonwealth Games in 1986 in the featherweight weightlifting class.

A presentation was given to Ms Hannah Powell, originally from Birmingham now lives on the Island. Ms Powell competed at the Commonwealth Games this year for the first time in the 48 kilo weightlifting category.

A presentation was given to Mr Gareth Evans who won a gold medal at the Commonwealth Games this year. Mr Evans won Wales' first gold medal of the Commonwealth Games in the 69 kilo weightlifting category.

The three individuals wished to thank the County Council for the honour of receiving recognition of their success. They thanked the County Council and the Isle of Anglesey Charitable Trust for their financial support to the Holyhead Weightlifting and Fitness Centre.

## **1. MINUTES**

The minutes of the meeting of the Isle of Anglesey County Council held on 28<sup>th</sup> February, 2018 were confirmed.

## **2. DECLARATION OF INTEREST**

None received.

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

The Chair made the following announcements :-

- Congratulations was extended to Mrs Carys Edwards who has been appointed as the new Head of Corporate Transformation.
- Congratulations was extended to Mr Dennis Williams from Llanfairpwll and Dr Haydn Edwards from Llangefni who have received the honour of being received to the Gorsedd of the Bards of the National Eisteddfod.
- Congratulations was extended to Beaumaris Band who came 3<sup>rd</sup> in Europe at the European Youth Brass Band Championship in Utrecht in the Netherlands and also to Merin Llew for winning the prize for the best soloist.
- Best wishes was extended to everyone who will be competing at Eisteddfod Môn, the Urdd Eisteddfod, the Royal Welsh Show and the National Eisteddfod together with the Anglesey Show.
- Anglesey will be hosting the 2019 Island Games' Football Tournament. Anglesey has agreed to hold the unofficial football tournament in its bid to hold the 2025 Island Games.

The Chair wished to thank the staff of the County Council, Biffa and all the volunteers who have recently been assisting the clean-up on the Island's beaches following the recent damage at Holyhead Marina.

\* \* \* \*

Condolences were extended to Councillor John Griffith and his family following their recent bereavement.

Condolences were extended to any Member of the Council or staff who had suffered bereavement.

Members and Officers stood in silent tribute as a mark of their respect and sympathy.

#### **4. PRESENTATION OF PETITIONS**

The Chair said that 2 petitions had been received in relation to the Schools Modernisation Programme – Llangefni Area (Corn Hir, Bodffordd and Henblas). A petition of 43 signatories was received against the closure of Bodffordd Primary School and a petition of 107 signatories was received against the closure of Henblas Primary School. The two petitions were considered as part of the statutory consultation report submitted to the Corporate Scrutiny Committee held on 23 April, 2018 and the Executive held on 30 April, 2018.

#### **5. THE LEADER OF THE COUNCIL'S ANNUAL REPORT FOR 2017/18**

The Annual Report by the Leader of the Council for 2017/18 was presented.

The Leader of the Council provided highlights of the progress that was achieved in the preceding year as follows :-

- An additional portfolio has been established to address the immense challenges and ensure the necessary capacity to maximize the benefits for the people of Anglesey in respect of the Wylfa Newydd project;
- Town and Community Councils Forum has been meeting regularly to discuss 'place shaping' within their areas;
- The 2018/19 budget has been agreed and it continues to protect the Council's services;
- The schools' modernisation programme has been driven forward together with the Education Strategy. A training programme has been offered to teachers to prepare them for the role of Headteachers;
- The Garreglwyd Care Home, Holyhead has been opened for acute dementia people from Anglesey; this is a joint plan with the Health Board for the benefit of the people of Anglesey;
- An Anglesey Family Team (Teulu Môn) has been established where families are able to have access to support services at a single point of access;
- Hafan Cefni, an extra care facility, for the support of older people to live independently, is been built in Llangefni. An additional Extra Care scheme has been given approval in Beaumaris;
- A business plan has been adopted for construction of social housing on Anglesey which will mean an investment of over £26m over the next 4 years to build 195 houses;
- The importance of local businesses has been emphasised in all discussions with large companies and in any regional economic discussions;
- An internal procurement project has been established to ensure that a system is in place that will enable local companies to take advantage of opportunities available in the Council;
- A 12 week scheme 'Attracting Talent' has been established to give the Island's young people an unique opportunity to experience a variety of possible careers within the Council;
- The Council continues to oppose the erection of pylons across the Island by the National Grid;
- A joint Local Development Plan between Gwynedd Council and the Isle of Anglesey County Council has been agreed;
- Recycling targets continue to improve.

The Leader concluded her report by thanking the Senior Leadership Team, Departmental Heads and all Council staff for their work. She also wished to thank the staff of the Council

and Biffa who have work tirelessly during difficult adverse weather during the winter and recently at the Marina in Holyhead.

The Council was given the opportunity to ask questions of the Leader on the contents of the Annual Report. The Opposition Group sought clarifications as regard to the following main issues :-

- Whilst the aim of the Council is to make efficiency savings, questions were raised as to why it had taken to the last minute to stop the tendering process for home care when it has taken three days to interview companies who tendered for the service. The companies who tendered for the home care service as still awaiting response from the Council and it was considered that there has been a waste of staff time and resources as regard to this matter. The Leader of the Council responded that the Council is exploring how to strengthen procurement procedures. She referred to the home care tendering process and said that a 'technical draw' occurred during the process. She reminded the Council that the Health Board were also involved in the home care process and it was considered that a pause was needed to evaluate the process. The Leader said that the companies who tendered for the home care service will be informed of the outcome of the process within the next few weeks. She expressed the view that the best service for the 'service user' is paramount.
- The Council failed to spend the annual allocation from the Department for Work and Pensions (DWP) on discretionary housing payments (DHP). This funding is to support residents eligible for Housing Benefit who are finding it difficult to pay their rent. The Leader of the Council confirmed that over £20k had been returned to the government but said that as reported to the Executive the DHP scheme is intended to provide customers in receipt of Housing Benefit financial assistance with their housing costs where the Local Authority considers that such help is necessary. She said that this funding must be applied for and the recipient is eligible for these payments. She further noted that the Authority has over recent years 'topped up' the Government contribution.
- Details of the social housing project in Maes yr Ysgol, Holyhead is still awaited by the local members. The Leader of the Council responded that the scheme at Maes yr Ysgol, Holyhead is for one bedroom self-contained accommodation for the under 35 who are on the housing waiting list. The scheme at present has been paused but Welsh Government has confirmed that following negotiations with the Authority, funding is available to continue with the scheme.
- Concerns expressed that a request by the Aberffraw Community Council for the Head of Housing to attend a meeting to discuss housing issues within the village was refused. The Leader of the Council said that she and the Portfolio Holder for Housing Services would attend a meeting of the Aberffraw Community Council, if they so wished, to discuss any housing related concerns.
- Comments expressed that £26m is to be spend to build 195 social housing on the Island which would equate to every dwelling costing £130k. The Leader of the Council responded that associated costs entail when wishing to build such housing. She said that this Authority's has an ambition to build social housing due to dire need for such housing. Funding for the project is sourced from the Housing Revenue Account (HRA).
- Concerns expressed regarding signage erected by the Highways Department in the Dwyran area and then removed a few days later. The Leader of Council this could be raised with the Portfolio Holder for Highways during monthly briefing sessions.
- Whilst welcoming the £100k pledged by Welsh Government towards the clean-up operation at the Marina, Holyhead together with help to local businesses, the residents of the Dwyran area are still awaiting the Council to respond to the devastation that has occurred to their homes due to the extreme flooding that occurred at the end of last



year. The Leader of the Council responded that she has been to the area of Dwyran and other areas that were affected by the extreme flooding last year. She said that a discussion took place at the Council meeting held in February as regard to the reduction in the Council Tax for households affected by the flooding; a scheme is in the process of been completed as regard to this matter. The Leader further said that negotiations are continuing with Natural Resources Wales with regard to the issues of flood damage in the Dwyran area and that she as Leader is willing to meet with the local members to discuss the matter further.

- Comments expressed as to the Joint Local Development Plan and the need for further resources to employ consultants to make amendments to the plan which has only been implemented six months ago. The Leader said that it would be unwise not to continue to update the Joint Local Development Plan to make sure it addresses the needs of the local communities. Comments were made that in some strong Welsh language communities within the north of the Island they will not see any new dwellings been approved. It was said that local young people will not have the opportunity to live within their preferred local communities and to bring up their children in the countryside of their choice. The Leader said that there is a Joint Local Development Plan Committee with elected member representation from both authorities; this Committee deals with issues within the Development Plan and she considered that this is the forum to deal with matters of concern within local communities.
- Concerns expressed that the Executive has decided to close primary schools with over 80 pupils which has been against the wishes of parents and the local communities. It was expressed that the message by the Leader has been to secure strong communities but it was considered that the backbone of these communities will cease by closing village schools. Comments were made that local village schools do provide good education to the children who attend these schools. It was further expressed that resources have been used to consult on the schools modernisation plan in Llangefni on three occasions. Concerns were also expressed that there has been further delays in starting the work in building the new Ysgol Santes Dwynwen due to power line issues on site. The Leader said that over the last six years this Authority has been committed to the schools modernisation programme and 9 schools were closed during the previous administration of this Council. She further referred that there is a national crisis in relation to attracting teachers to become Headteachers and this Authority has put in place a training plan to try and resolve the problem but schools continue to be without Headteachers as individuals are reluctant to apply for such posts. The Leader referred to the comment as regard to the delay in the building works of the new Ysgol Santes Dwynwen and noted that this was as a result of the delay by Scottish Power in moving power lines on the site. She noted that she has asked the Transformation Officer within the Council to ask Welsh Government to put pressure on such companies as Scottish Power to move forward with the works required on the site of the new Ysgol Santes Dwynwen.
- It was expressed that the electricity pylons proposed by the National Grid as regards to the proposed Wylfa Newydd will need to be completely undergrounded across the whole Island. It was expressed that this Authority does not have a Plan B if the undergrounding of the electricity cabling does not materialise.

**It was RESOLVED to receive the Leader of the Council's report and to note its contents.**

## 6. NOTICE OF MOTION PURSUANT TO RULES 4.1.13.1 OF THE CONSTITUTION

Submitted – the following Notices of Motion by **Councillor Carwyn E Jones**:-

- (a) *The Isle of Anglesey County Council considers that the Planning Act 2008 (PA2008), together with its secondary legislation and guidance including National Policy Statements, is out of date and not fit for purpose in Wales. The PA2008 does not take account of current Welsh legislation including the Well-being of Future Generations Act (2015) or the Active Travel (Wales) Act (2013).*

*In respect of overhead transmission lines, the Holford Rules (1959, amended in the 1990's) and Horlock Rules (undated on National Grid's website) are also considered to be significantly out of date and not compatible with current Welsh legislation.*

*Welsh local authorities are bound by the Well-being of Future Generations Act and Active Travel (Wales) Act. In terms of nationally significant infrastructure projects (NSIPs), this includes consideration of how projects are mitigated, either by s.106 agreement or planning requirement. Some elements of NSIPs, such as planning requirements will also need to be discharged by local authorities.*

*The Welsh legislation referred to above is likely to require significantly more mitigation than the '6 tests' (see below) as it also relates to the well-being of future generations.*

1. Necessary
2. Relevant to planning and;
3. To the development to be permitted;
4. Enforceable;
5. Precise and;
6. Reasonable in all other respects.

*The Isle of Anglesey County Council therefore considers that the PA2008 and all necessary secondary legislation and guidance should be updated as a matter of urgency to ensure that Welsh local authorities are able to meet their statutory duties and to ensure that adequate mitigation is able to be delivered.*

*I ask that the Council agrees to this view and that a formal letter expressing the above should be sent on behalf of The Isle of Anglesey County Council to Rt Hon. James Brokenshire MP, Secretary of State for Housing, Communities and Local Government, who has overall responsibility for the Planning Act 2008. A copy of the letter will also be sent to:*

*Rt Hon. Greg Clark MP (BEIS)  
Rt Hon. Alun Cairns MP  
First Minister Carwyn Jones  
Lesley Griffiths AM  
Albert Owen MP  
Rhun Ap Iorwerth AM*

- (b) **Background**

*The lack of detailed information provided thus far by the National Grid on its proposed North Wales connection means that the Council is not in a position to fully understand the full impacts of the development on Anglesey, its communities and its environment. For example, the Council is concerned that the local community around the proposed Tunnel Head building (including Llanfairpwll and Llandaniel Fab) has not been*

*provided with the required information to be able to fully appreciate the scale of HGV and other vehicle movements in the area, or the proposal to close Rhonwy Bridge – despite the fact that the Council has requested further information.*

*The Isle of Anglesey County Council notes the comments made by the National Grid in its Statement of Community Consultation, paragraphs 3.5-3.6, which places great emphasis on engaging with, and seeking the opinions of people who live in close proximity to the proposals and who could be affected by the development either permanently or temporarily during the construction work.*

*The lack of detailed information means that neither the Council, the stakeholders nor the affected community and residents have been able to come to an informed opinion on the likely effects of the development, the range of planning requirements or the mitigation measures required to reduce the effects of the plan to an acceptable level.*

*Previously, National Grid senior officers attended briefing sessions for elected members in the Council Chamber. We now understand that they have refused requests to attend another formal briefing session with elected members in order to answer questions.*

### **Proposal**

*1. Therefore the Council requests that National Grid urgently provides the additional information required and holds an additional consultation cycle with key stakeholders and the affected community in order that each impact, including the cumulative effects and the detailed mitigation proposals can be considered before the formal submission of the application to the Planning Inspectorate.*

*2. The Council requests the Chief Executive of the National Grid to attend a briefing session and to update the elected members of the Isle of Anglesey County Council and to respond to their questions on the project.”*

Councillor Richard A Dew seconded the motion.

Councillor Carwyn Jones referred to part (a) of his motion and said the National Grid conforms to the National Planning Act 2008 (PA2008). The PA2008 does not take account of current Welsh legislation included within the Well-being of Future Generations Act (2015) or the Active Travel (Wales) Act (2013) and it does not condone taking any profit made away from local communities and to make sure that strong local communities are able to flourish. The Holford Rules (1959, amended in the 1990's) and Horlock Rules (undated on National Grid's website) are also considered to be significantly out of date and not compatible with current Welsh legislation.

Councillor Aled M Jones said that maybe the motion put forward does not go far enough and that it is The Supreme Court in London that takes decisions on legal jurisdictions. He said that there is conflict in Wales between the Wellbeing of Future Generations Act and the National Planning Act 2008 and it will be The Supreme Court that will have to decide as to which Act is primary legislation. He considered that legal advice be sought as to whether this Authority or Welsh Government should go to The Supreme Court due to these two conflicting legislation. Councillor Carwyn Jones responded that he will discuss the matter with relevant Officers of the Council. He said the Development Consent Order (DCO) will be submitted later on this year as regard to Wylfa Newydd and this Authority will need to respond if the consultation has been relevant and as to whether the opinion of The Supreme Court needs to be undertaken.

The Head of Economic Development and Regulation said that legal advice has been sought as regard to this matter and the advice received has been that the Secretary of State for Business, Energy and Industrial Strategy is able to take a decision as to the weighting given to Welsh Government's legislation. The Secretary of State can decide to ignore the Welsh Government's legislation or he can decide that they are immensely important and relevant. He noted that The Supreme Court would be the end of the matter.

Councillor Aled M Jones said that there is an avenue for appeal therefore to the Authority; the National Grid needs to understand that this Authority will go to The Supreme Court to make sure that residents of the local communities affected by proposed erection of pylons are safeguarded.

**In the ensuing vote it was RESOLVED that the motion at (a) above be carried.**

Councillor Carwyn Jones referred to part (b) of his notice of motion and said that the opinion of the Council and the residents of Anglesey has been consistent that the proposed power lines across the Island need to be undergrounded. He expressed that the National Grid is not listening to the opinion of this Council and the local communities. The lack of detailed information provided by the National Grid on its proposed North Wales connection means that this Authority is not in a position to fully understand the full impacts of the development on the Island. He further said that this Authority must responded to the Planning Inspectorate within two weeks when the DCO is submitted and report as to whether National Grid has consulted properly to this Authority and its residents as regard to this matter. Councillor Jones expressed that representatives from the National Grid has not attended any meeting or elected members briefing session with this Authority for over two years; the newly elected members have not been given an opportunity to be able to raise questions and express an opinion as regard to this matter with the National Grid. He said that residents including the Llanfairpwll and Llanddaniel Fab communities have not been provided with the required information as to the proposed Tunnel Head near Bryn Celli Ddu, the prehistoric site nor the proposal to close Rhonwy Bridge despite that this Council has requested details of the propose works. Councillor Jones said that the scale of earth excavation and the scale of heavy vehicle movement in the area will be immense. No detailed information has been given by National Grid as to whether the soil and rocks from the excavation will be on this side of the Menai Straits. National Grid has only responded that they 'reserve our opinion'; he questioned as to how this Authority may plan mitigation measures without having definite dialogue with National Grid. He further referred to the effect on countryside lanes due to heavy machinery if National Grid erects a track across the Island to carry out work on the electricity pylons. He said that plans are being drawn by Welsh Government for a third bridge over the Menai Straits and National Grid are proposing a tunnel under the Straits which will contain cables linking Wylfa Newydd to the Grid at a cost of over £200m.

Councillor Jones further said that there has been a delay in the DCO as regard to Wylfa Newydd and therefore there is an opportunity for National Grid to hold an additional consultation period with key stakeholders and the affected communities in order that each impact, cumulative effects and the details of mitigation proposals can be considered before the formal submission of the application to the Planning Inspectorate.

Councillor Dafydd Roberts said that a railway line is near the proposed Tunnel Head near Llanddaniel Fab and questioned whether National Grid has considered a railway siding to mitigate the need to carry millions of tonnes of rubble and rocks near this location site. He expressed that these are the sort of issues that needs to be discussed with the National Grid and Elected Members.

Councillor Aled M Jones said that this Authority must continue to campaign for the undergrounding of the electricity cables across the Island. He said that the effects on local communities will be immense and especially the resident of the North of the Island with heavy vehicles travelling on minor country lanes.

Councillor Lewis Davies questioned as to the costs associated with undergrounding the electricity cables across the Island and across the Menai Straits at the detriment of local communities compared to undergrounding the cables on the seabed towards Merseyside and Deeside. The Head of Economic Development and Regulation responded that National Grid has not afforded costs associated with different options of undergrounding cabling but it is understood that there are technical risks associated with taking cables on the seabed as such an operation has not been undertaken in association with a nuclear facility.

**In the ensuing vote it was RESOLVED that the motion at (b) above be carried.**

## **7. SUPPLEMENTARY PLANNING GUIDANCE FOR WYLFA NEWYDD**

The report of the Head of Economic Development and Regulation was presented for consideration by the Council.

The Portfolio Holder for Planning and Public Protection said that since the Supplementary Planning Guidance (SPG) for Wylfa Newydd was adopted in 2014, there has been a number of fundamental changes which has necessitated the need to review and update the SPG. Most notably is the Wales Act 2017, which received Royal Assent on the 31<sup>st</sup> January 2017. This allows project promoters (Horizon) to include associated developments (such as park and ride, temporary works accommodation etc.) within their DCO application instead of being submitted to the Local Planning Authority and considered under the Town and Country Planning Act. The SPG also needs to reflect key new legislation such as the Wellbeing of Future Generations Act 2015 and this Authority needs to demonstrate how the project/policy meets the 7 wellbeing goals and the alignment between the SPG's objectives and the wellbeing goals. He further said that Horizon has proposed a number of project updates since the SPG was adopted in 2014. The most significant project change is to increase the on-site temporary workers accommodation from 500 to 4,000 workers on-site in a purpose built temporary campus. The Portfolio Holder said that the Council undertook a period of 6 week public consultation from the 11<sup>th</sup> January to 22<sup>nd</sup> February, 2018 and a Members 'Drop-In Session' was also arranged where Members had the opportunity to ask questions and provide comments on the SPG. 168 representations were received by ten individuals and organisations and all the responses can be found within the 'Representations Report' at Appendix A to the report. The Programme Management Office has worked closely with Burges Salmon Solicitors to address the representations received. All the changes made to the SPG are contained within the 'Focused Changes' document at Appendix B to the report. He noted that 74 of the responses received to the SPG have been accepted. The main concerns raised were the workers' accommodation and the County Council needs to reflect this within the SPG. Questions needed to be addressed as to which policies were relevant to Horizon and also which policies are relevant to third party organisations i.e. the Land and Lakes site and Rhosgoch site. He said that this has now been addressed within the SPG enclosed within the report. An Elected Member briefing session took place in April to explain the consultation process and the next steps as regard to this matter.

The Portfolio Holder said that it is important that the SPG be approved so as to allow the Authority to have a robust foundation to respond to the Wylfa Newydd project. In adopting the SPG the Authority will be in a stronger position to address the DCO public inquiry to be held within the next few months.

Councillor Aled M Jones thanked the Portfolio Holder and the relevant Officers for their work as regard to this matter but expressed concerns that accommodating up to a maximum of 4,000 workers' Wylfa Head is unacceptable.

**It was RESOLVED to adopt the revised (Anglesey specific) Wylfa Newydd Supplementary Planning Guidance (SPG) and all Topic Papers and Statutory Assessments.**

## **8. WELLBEING PLAN - PUBLIC SERVICES BOARD**

The report of the Chief Executive incorporating the Gwynedd and Anglesey Well-Being Plan as approved by the Gwynedd and Anglesey Public Services Board was presented for consideration.

The Leader of the Council reported that the Well-Being Plan sets out how the Public Services Board intends to make a difference to the lives of residents by working together to deliver the agreed well-being objectives for the entire North West Wales area. She drew attention to the fact that as part of a three month statutory consultation period on the draft Well-Being Plan, the Plan was scrutinised by the Partnerships and Regeneration Scrutiny Committee at its meeting held on 8 March, 2018, the Committee being a statutory consultee and the designated committee for scrutinising Public Services Board business.

**It was RESOLVED :-**

- **To approve the Ynys Môn and Gwynedd Well-being Plan for publication by the Public Services Board;**
- **To adopt the Well-being Plan and that it is incorporated as part of the Council's Policy Framework to replace the Single Integrated Plan in the Council's Constitution;**
- **The Partnership and Regeneration Scrutiny Committee be the designated Scrutiny Committee for scrutinising the work of the Public Services Board;**
- **To amend section 3.2 of the Council's Constitution to include the approval of decisions in relation to the 'Well-being Plan' as a function which can only be exercised by the full Council; and to delete reference to the 'Single Integrated Plan';**
- **To amend section 2.6.2 of the Council's Constitution in order to appoint the Partnership and Regeneration Scrutiny Committee as the designated scrutiny committee for scrutinising the work of the Public Services Board;**
- **To authorise the Council's Head of Function (Council Business)/Monitoring Officer to make any future amendments, as and when they arise, to the Council's Constitution (a) when they relate to; or (b) arise as a result of, the matters approved above, subject to consultation with the Group Leaders and no objections are raised.**

## **9. STANDARDS COMMITTEE ANNUAL REPORT 2017/18**

The Annual Report of the Standards Committee for 2017/18 was presented by Mr Mike Wilson the Chair of the Standards Committee. Mr Wilson summarised the work delivered by the Standards Committee against the objectives in its 2017/18 Work Programme as set out in the Appendix attached to the report.

**It was RESOLVED :-**

- To note the programme delivered by the Standards Committee between April 2017 and May 2018;
- To endorse the Standards Committee's Work Programme for 2018/19 as outlined in Appendix C of the report.

#### **10. LOCAL RESOLUTION PROTOCOL**

The report on an amended Local Resolution Protocol was presented by the Portfolio Holder for Corporate and the Chair of the Standards Committee.

**It was RESOLVED to abolish the current Local Resolution Protocol and to adopt the draft amended Local Resolution Protocol at Enclosure 2 to the report.**

#### **11. SCRUTINY COMMITTEE ANNUAL REPORT 2017/18**

The Scrutiny Annual Report for 2017/18 was presented by Councillor Aled M Jones, Chair of the Corporate Scrutiny Committee and by Councillor Gwilym O Jones, Chair of the Partnership and Regeneration Scrutiny Committee.

The Scrutiny Chairs have been involved in developing the forward work programmes during the year. It was noted that a Scrutiny Champion needs to be appointed to promote the overview and scrutiny function both within the Council and also with external partners of the Authority.

**It was RESOLVED :-**

- To approve the Overview and Scrutiny Annual Report for 2017/18;
- To note the continued progress made in implementing the local Scrutiny improvement journey and the impact this is having on practice;
- To appoint the Chair of the Partnership and Regeneration Scrutiny Committee as the Scrutiny Champion for the period May 2018 to May 2019.

#### **12. AUDIT COMMITTEE ANNUAL REPORT 2017/18**

The Audit Committee Annual Report for 2017/18 was presented by Councillor Peter Rogers, Chair of the Audit and Governance Committee.

**It was RESOLVED to endorse the Annual Report of the Audit and Governance Committee for 2017/18.**

#### **13. DEMOCRATIC SERVICES COMMITTEE ANNUAL REPORT 2017/18**

The Annual Report of the Democratic Services Committee for 2017/18 was presented by Councillor Robert LI Jones, Chair of the Democratic Services Committee.

**It was RESOLVED to accept and to note the matters considered by the Committee during 2017/18.**

**COUNCILLOR DYLAN REES  
CHAIR**

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# ISLE OF ANGLESEY COUNTY COUNCIL

## Minutes of the meeting Annual Meeting held on 15 May 2018

**PRESENT:** Councillors Lewis Davies, R Dew, John Griffith, Richard Griffiths, Glyn Haynes, T LI Hughes MBE, Vaughan Hughes, Llinos Medi Huws, A M Jones, Carwyn Jones, Eric Wyn Jones, G O Jones, R LI Jones, R.Meirion Jones, R O Jones, Alun W Mummery, Bryan Owen, R G Parry OBE, Shaun James Redmond, Dylan Rees, Alun Roberts, Dafydd Roberts, J A Roberts, Margaret Murley Roberts, P S Rogers, Dafydd Rhys Thomas, Ieuan Williams and Robin Williams.

**IN ATTENDANCE:** Chief Executive,  
Assistant Chief Executive (Partnerships, Community & Service Improvements),  
Head of Function (Council Business)/Monitoring Officer,  
Head of Democratic Services,  
Committee Officer (MEH).

**ALSO PRESENT:** None

**APOLOGIES:** Councillors Kenneth P Hughes, Nicola Roberts.

### 1. CHAIRPERSON

**It was RESOLVED that Councillor Dylan Rees be elected Chairperson of the County Council for 2018/19.**

In accepting the honour of being appointed, Councillor Rees assured the Council that he would endeavour to fulfil his duties as Chairperson to the best of his abilities. He thanked his predecessor Councillor Richard O Jones for the dignified and honourable way in which he had carried out his civic duties of Chair of the County Council. Councillor Rees said that he has selected Hospice at Home as his chosen charity.

The outgoing Chairperson, Councillor Richard O Jones thanked all the Members and Officers for their support during his term of office and especially Mrs Cary Bullock and Mrs Janette Jones of the Democratic Services Department together with Mr J Huw Jones the Head of Democratic Services. He wished to thank his wife Gwenda for her support and referred to the honour he and his wife had whilst welcoming the National Eisteddfod to Bodedern last summer. Councillor Jones gave a summary of the highlights of his year as Chair of the Council and especially to the Chairman's Sunday at Eleth Church, Amlwch and the Charitable Concert held in April which raised £2,700. He said that over his term of office a total of over £3,500 was raised toward a Community Defibrillator Scheme and Blood Bikes Wales (Anglesey).

### 2. VICE-CHAIRPERSON

**It was RESOLVED that Councillor Margaret Murley Roberts be elected Vice-Chairperson of the County Council for 2018/19.**

Councillor Roberts thanked her fellow Members for the honour and said that she looked forward to working with the Chairperson and supporting him in his duties during the forthcoming year.

### **3. ANNOUNCEMENTS**

None received.

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

None received.

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

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

Councillor Richard Dew with Portfolio responsibility for Planning and Public Protection.  
Councillor Llinos M Huws (Leader) with Portfolio responsibility for Housing and Social Services.  
Councillor Carwyn Jones with Portfolio responsibility for Major Projects and Economic Development.  
Councillor R Meirion Jones with Portfolio responsibility for Education, Youth, Libraries and Culture.  
Councillor Alun Mummery with Portfolio responsibility for Housing and Supporting Communities.  
Councillor Bob Parry OBE FRAGS with Portfolio responsibility for Highways, Property and Waste.  
Councillor Dafydd R Thomas with Portfolio responsibility for Corporate.  
Councillor Ieuan Williams (Deputy Leader) with Portfolio responsibility for Transformation and the Welsh Language.  
Councillor Robin Williams with Portfolio responsibility for Finance.

### **6. ELECTION OF CHAIRPERSON OF THE DEMOCRATIC SERVICES COMMITTEE FOR 2018/19**

In accordance with Paragraph 3.4.12.3, it was **RESOLVED** that Councillor Robert Llewelyn Jones be elected Chairperson of the Democratic Services Committee for 2018/19.

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

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

### **8. POLITICAL BALANCE**

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

It was **RESOLVED** :-

- To confirm the political balance arrangements and the number of seats allocated to each of the Groups under the Local Government and Housing Act 1989.
- That Group Leaders advise the Head of Democratic Services as soon as possible if there are any changes to Group Membership on Committees.

### **9. APPOINTMENT TO OUTSIDE BODIES**

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

It was **RESOLVED** to confirm the appointments as detailed in the schedule presented to the Committee.

### **10. PROGRAMME OF MEETINGS OF THE COUNTY COUNCIL FOR 2018/19**

It was **RESOLVED** to approve the following programme of ordinary meetings of the County Council for the ensuing year :-

- 25 September, 2018 at 2.00 p.m.
- 30 October, 2018 (Extraordinary) at 2.00 p.m.
- 11 December, 2018 at 2.00 p.m.
- 27 February, 2019 at 2.00 p.m.
- May, 2017 (Annual Meeting) – date to be confirmed.

## **11. INDEPENDENT REMUNERATION PANEL FOR WALES ANNUAL REPORT 2018/19**

The report of the Head of Democratic Services on the scheme of Member Remuneration for 2018/19 was presented for consideration.

**It was RESOLVED :-**

- To confirm that the senior salaries should be payable to the following 16 office holders during 2018/19 :-

**Chair of the Council  
Vice-Chair of the Council  
Leader of the Council  
Deputy Leader of the Council  
Other Executive Members (7)  
Chair of the two Scrutiny Committees  
Chair of the Planning and Orders Committee  
Chair of the Audit and Governance Committee  
Leader of the Largest Opposition Group**

- To approve the recommendation of the Democratic Services Committee at its meeting held on 20 March, 2018 with regard to the level of payment of civic salaries and confirm the level of payment to the Civic Head and Deputy Civic Head for 2018/19.
- To authorise Officers to amend Part 6 of the Council's Constitution to reflect the determinations made by Independent Remuneration Panel for Wales.

## **12. MEMBER DEVELOPMENT INDUCTION PLAN 2018/19**

The report of the Head of Democratic Services on the Induction Development Plan for Elected Members for 2018/19.

**It was RESOLVED to adopt the Training Plan as a framework for Member Development for the 2018/19 financial year and that authority be given to the Head of Democratic Services to make any further modifications as deemed appropriate.**

## **13. CONFIRMATION OF COMMITTEES**

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

- Pay and Grading Panel (a sub-committee of the Council)
- Standards Committee Appointment Panel
- Standing Advisory Council on Religious Education
- Indemnities Sub-Committee

**COUNCILLOR DYLAN REES  
CHAIR**

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# ISLE OF ANGLESEY COUNTY COUNCIL

## Minutes of the meeting held on 7 June 2018

- PRESENT:** Councillor Dylan Rees (Chair)
- Councillors Lewis Davies, R Dew, John Griffith, Glyn Haynes, K P Hughes, Vaughan Hughes, Llinos Medi Huws, A M Jones, Carwyn Jones, Eric Wyn Jones, G O Jones, R LI Jones, R.Meirion Jones, Alun W Mummery, Bryan Owen, R G Parry OBE FRAGS, Dafydd Roberts, Nicola Roberts, Dafydd Rhys Thomas, Ieuan Williams, Robin Williams.
- IN ATTENDANCE:** Chief Executive,  
Head of Function (Council Business)/Monitoring Officer,  
Head of Function (Resources)/Section 151 Officer,  
Head of Democratic Services,  
Committee Officer (MEH).
- ALSO PRESENT:** None
- APOLOGIES:** Councillors Richard Owain Jones, T LI Hughes MBE, Shaun James Redmond, Alun Roberts, J A Roberts, Margaret Murley Roberts and P S Rogers.

Councillor G O Jones was elected Vice-Chair for this meeting due to an apology received by the Vice-Chair of the County Council.

### **Announcements received by the Chairperson of the County Council**

The Chair extended his congratulations to Mr Gruffydd Wyn Roberts from Amlwch who reached the final of the Britain's Got Talent television competition held recently.

\* \* \*

Condolences was extended to the family of Mr. Gareth Wyn Roberts who was tragically killed during an accident recently in Trearddur Bay. Mr. Roberts was a Support Worker at Canolfan Addysg y Bont, Llangedfni and was a popular member of staff with the pupils and staff.

Condolences were extended to any Member of the Council or staff who had suffered bereavement.

Members and Officers stood in silent tribute as a mark of their respect and sympathy.

### **1. DECLARATION OF INTEREST**

None received.

## 2. GREEN PAPER CONSULTATION DOCUMENT - STRENGTHENING LOCAL GOVERNMENT: DELIVERING FOR PEOPLE

The report of the Chief Executive incorporating the Council's position on local government reorganisation and response to specific questions was presented to the Council for consideration.

The Chief Executive reported that the Green Paper sets out the Welsh Governments' intent for a 'Stronger, more empowered local government in Wales'. The Green Paper advocates reorganisation of local government which is different to the position in the 2017 White Paper which focused on greater collaboration between authorities. He noted that there are 3 options within the Green Paper as follows :-

Option 1 – voluntary merger between local authorities

Option 2 – phased approach

Option 3 – single comprehensive merger by 2022

He noted that the Group Leaders established a Local Government Reorganisation Panel to consider the Council's draft response which is enclosed as Appendix 2 to the report. The Chief Executive wished to thank the Members and the Head of Democratic Services for their work as regard to this matter.

He said that both the Panel and Group Leaders concluded that these proposals would not be supported and strongly opposes any future reorganisation of the authority based on the facts proposed. The Council's position is shaped on the principles set out in page 1 of the draft response namely :-

- 1) *The need to provide effective and efficient services for the residents of Anglesey. It is acknowledged that this could involve regional and sub-regional collaboration in order to ensure that the required specialism and resilience is in place and that an arrangement needs to be established to ensure direct local accountability for the quality of services. In this context, an understanding is required of the services which will be provided regionally, sub-regionally and locally, broadly aligned to the findings of the Williams Commission but also suggesting that local government needs to make decisions on collaboration structures.*
- 2) *Any collaboration arrangement should be based on the likely benefits to the residents of Anglesey or on the presumption that services of the same quality can be provided at a lower cost.*
- 3) *The Council is of the opinion that leadership based on local knowledge is more important than size. The Council is of the opinion that WG's expectations could be met through a combination of collaboration and local provision, i.e. a natural extension of the current position. In addition, it is acknowledged that detailed consideration needs to be given to any possibilities to provide services in a more cost-effective manner, e.g. reducing the costs of management or support services.*

These key matters should be central to any debate on reforming local government rather than lines on maps.

The Leader of the Council said that merging with a neighbouring authority would have a detrimental effect on the Island's residents in terms of service provision; local democracy and accountability as well as an impact on the local economy and Council Tax levels. She said that the Council Tax level for Band D properties in Gwynedd are £100 higher than that of Anglesey County Council which affords the same level of services. The Leader said that this Council already works in partnership with other authorities and gave an example of collaborative working with Conwy County Borough Council in respect of the transformation

of Library Services within this authority and to gauge the procedure undertaken by Conwy Council. The six North Wales local authorities are collaboratively working on the North Wales Growth Bid. She also referred to the collaborative working with Betsi Cadwaladr University Health Board as regard to Social Services.

The Leader also referred to the suggestion that local government reorganisation could cost more than £200m and noted that this money would be better spent on improving services for residents when local government budgets are under such severe pressure. She noted that merging Anglesey and Gwynedd would be huge geographically and that this could impact on local accountability and how services are delivered locally to the residents.

The Committee considered the report and made the following comment :-

- Merging of 22 local authorities into 10 does not equate to better services which has been seen in North Wales in terms of the health service;
- Local accountability and services to local residents is paramount;
- The possible negative impact on merging of local authorities on the hard work and vision of this Authority in building a close working relationship with developers of major infrastructure projects i.e. Wylfa Newydd, Bluestone, Morlais Marine Energy and Orthios;
- Welsh Government should concentrate on improving transport links between South and North Wales rather than spending unnecessarily on reorganisation of local government;
- A severe economic impact on the county's town of Llangefni where the main council offices are located would result if most of the staff were to be relocated;
- The 'grass roots' of local services will be lost to rural communities;
- Leadership based on local knowledge is more important than the size of the authority;
- The Welsh Government's expectations could be met through a combination of collaboration and local provision of services;
- The Green Paper is preoccupied with structures and lines on map;
- Welsh Government should concentrate on the uncertainties attached to Brexit and they should focus on maximising the benefit of Brexit to Wales;
- Public finances should be the priority of Welsh Government rather than reorganisation of local authorities. This Council has made significant efficiencies savings through transformation of services and should be left alone to carry out the best services affordable to local residents. An example was given as the success of the recycling on the Island with Anglesey being one of the best performing local authorities;
- The Green Paper does not mention the multi member model in Anglesey with 30 Elected Members and as to how this would equate to Gwynedd Council who has 75 Elected Members representing individual wards;
- Reference has been made within the Green Paper to Town and Community Councils being an integral part of local government. It was considered that whilst accepting that Town and Community Councils have a role within local communities it was stressed that democratic accountability from Welsh Government should be referred to local government in the first instance.

Following further deliberations **it was RESOLVED :-**

- **To confirm the Council's position on local government reorganisation as set out in Appendix 2 together with responses to specific questions.**
- **To authorise the Chief Executive in consultation with the Leader to finalise the Council's response by the 12 June, 2018.**

Councillor Glyn Haynes abstained from voting.

The meeting concluded at 12.10 pm

**COUNCILLOR DYLAN REES  
CHAIR**



# ISLE OF ANGLESEY COUNTY COUNCIL

## Minutes of the meeting held on 16 July 2018

**PRESENT:** Councillor Dylan Rees - Chair  
Councillor Margaret M Roberts - Vice-Chair

Councillors R Dew, John Griffith, Richard Griffiths, K P Hughes, T LI Hughes MBE, Vaughan Hughes, A M Jones, Carwyn Jones, Eric Wyn Jones, G O Jones, R.Meirion Jones, Alun W Mummery, Bryan Owen, Bob Parry OBE FRAGS, Alun Roberts, Dafydd Roberts, J A Roberts, Nicola Roberts, P S Rogers, Dafydd Rhys Thomas and Ieuan Williams

**IN ATTENDANCE:** Chief Executive,  
Assistant Chief Executive (Partnerships, Community & Service Improvement),  
Assistant Chief Executive (Governance and Business Process Transformation),  
Head of Function (Council Business)/Monitoring Officer,  
Head of Function (Resources)/Section 151 Officer,  
Head of Profession (Human Resources) and Transformation,  
Head of Democratic Services,  
Committee Officer (MEH).

**ALSO PRESENT:** None

**APOLOGIES:** Councillor Robin Williams, Richard Owain Jones, Glyn Haynes, Llinos Medi Huws, R LI Jones and Shaun James Redmond

### 1. DECLARATION OF INTEREST

Councillor T LI Hughes declared a prejudicial interest as regard to Item 3 – Annual Delivery Document 2018/2019 – 3G pitch and left the meeting during discussion and voting thereon.

### 2. PRESENTATION OF PETITIONS

The Chair reported that a petition of 1,010 signatories had been received against the closure of Talwrn Primary School. He noted that the petition has been forwarded to the Education Department.

### 3. ANNUAL DELIVERY DOCUMENT 2018/19

Submitted – the report of the Head of Profession (Human Resources) and Transformation in relation to the above.

The Portfolio Holder for Corporate Services said that the Annual Delivery Document sets out the targets the Council would achieve within its key priorities over the next twelve months, which is linked into the aspirations and objectives in the County Council's Plan for 2017-2022. He noted that the Annual Delivery Document shows that the Authority is

prepared to take on challenges as it modernises its services. He expressed that each objectives within the Annual Delivery Document are important but gave examples of priorities within the document :-

- A new school modernisation strategy needs to be adopted which highlights the importance of developing new learning environments in order to improve the provision and raise standards and the achievement of the Island's children and young people;
- The Council has launched the new 'Denu Talent Môn' scheme (Attracting Anglesey Talent) this year which will give 9 or 10 individuals of 16 years old and over to have a 12 week paid experience of work within the Councils' services over the Summer;
- Opportunities for residents of the Island to participate within sport and leisure activities for the well-being and health;
- The Council needs to work with the Betsi Cadwaladr Health Board and this has already taken shape with a Dementia Care unit at Garreglwyd, Holyhead and a new model of Homecare facility across the Island;
- There is an intention to build approximately 60 new social housing across the Island;
- A wider choice of placement for looked after children is being considered either by offering more services, increasing the available foster placements or by providing care in a different way;
- To continue with the County Council's intention and achievement of ensuring that over 70% of all household waste is recycled.

The Deputy Leader said that the Annual Delivery Document has 38 objectives that shows that this Authority is prepared to take on challenges as it modernises its services for the residents of the Island.

The Portfolio Holder for Major Projects and Economic Development expressed that the documents contains worthwhile projects that this authority is committed to investing in, and improving its services in an innovative way. He said that this Authority wishes to be able to attract employment opportunities for its young people and to be able to raise people's quality of life. He referred to the major projects that have/are to locate on the Island i.e. MSparc at Gaerwen, Wylfa Newydd, Bluestone Project at Holyhead, Môrlais at Holyhead, Market Hall at Holyhead, Visits from Cruise Ships, potential third bridge over the Menai Straits. He hoped that developments may be undertaken at Octel at Amlwch, Lairds at Beaumaris and the Halal site in Gaerwen in the future.

The following questions were raised by Members :-

- Councillor Aled M Jones referred that a total of 15 new business units are to be built in Llangefni and Holyhead. He questioned as to why business units are not been built in Amlwch as the town is the nearest to Wylfa Newydd project. He said that such new business units in Amlwch would enhance the economy of the town and the north of the Island. The Deputy Leader responded that he agreed that extra new business units is required in Amlwch but the land to build such units is not available on the current site and other potential site for such a development is at present in private ownership. The Portfolio Holder for Major Projects & Economic Development said that the Council is currently conducting a consultation process to ascertain the needs of the community within the 'Shaping Places' programme and to gather the opinion of the Amlwch Town Council and the local residents as to the future opportunities within the area. He further said that the owners of the Octel site has expressed their vision for the future of the site. Councillor Aled M Jones requested that a meeting be arranged with the Amwch Town Council, Local Members and Officers of the Council to discuss building new business units in Amlwch as a matter of priority;

- Councillor Aled M Jones referred to the potential 3G pitch at Plas Arthur Leisure Centre and questioned as to where the established Hockey Club, who have been using the facilities in Llangefni will practice as the 3G pitch is not suitable for hockey. The Portfolio Holder for Major Projects and Economic Development responded that the 3G pitch at Plas Arthur Leisure Centre is an achievement for this Council as such a facility is paramount for sports on the Island as clubs have faced going to the mainland to partake in such a facility. He noted that the revenue from a 3G pitch would allow for the leisure centres be able to stay open. He further said that 'astro turf' is more suitable to play hockey and he understood that negotiations are taking place. He further noted that there is an 'astro turf' in RAF Valley;
- Councillor Bryan Owen and Councillor Peter Rogers referred to the new Ysgol Santes Dwywen, Newborough and were concerned that parents, with children in schools that will close, will not send their children to this school. Councillor Owen said that he was disappointed that as Local Members they had not been invited to meetings, recently held at Bodorgan Primary School, as regard that the School may have to close this summer as parents have moved their children to other schools within the community. The Assistant Chief Executive (Partnerships, Community & Service Improvement) responded that the Head of Learning received a request, at short notice, from the Governing Body and Head of Bodorgan Primary School to attend a meeting last week to discuss matter raised by the school and that he intended to discuss the matter with the Local Members thereafter. Councillor Peter Rogers expressed that people are parking across the access to the new school in Dwyran and the matter needs to be addressed. The Portfolio Holder for Highways, Property and Waste responded that adequate consultation period needs to be undertaken to allow the local residents to submit comments are regards to parking restrictions i.e. yellow lines near the school and surrounding area;
- Councillor Peter Rogers said that there has been no mentioned within this report as to issues as regard to flooding in the Dwyran and the continued problems to households within the village for the last 8/9 years and specifically at the Ael y Braint estate. The Authority started to clear the ditches in Dwyran in January but the work was inadequate and left in a complete mess. Within the last two weeks the Council has again started to clear the ditches in this area. Councillor Rogers considered that the Council has wasted valuable resources and local landowners should be made to clear ditches. The Portfolio Holder for Highways, Property & Waste responded that Natural Resources Wales have been slow to respond as regard to drawing up a plan to address the issues of flooding in Llangefni and in Dwyran. He referred to the comment made that work carried out on the ditches in Dwyran in January left a mess but expressed that the land was waterlogged during this time of year;
- Councillor Peter Rogers whilst welcoming the building of social housing expressed that adequate play area should be afforded with social housing. He referred to the 16 social housing in the Dwyran area with children having to play in the most dangerous location within the village. The Portfolio Holder for Housing and Supporting Communities responded that he was unaware that there were 16 social houses on the Ael y Braint estate. Councillor Rogers expressed that most of the houses are in the ownership of a Housing Association and a mix of housing should not be allowed due to inadequate facilities for the residents;
- Councillor Aled M Jones referred whilst accepting that the projects within the document are worthwhile he expressed that the resources towards such projects needs to be within the appropriate areas. He expressed further that the Joint Local Development Plan has not been mentioned, which he considered to be a failing, as local people will not be afforded permission to build homes within the countryside following adoption of the Plan.

**It was RESOLVED to adopt the Annual Delivery Document for 2018/19.**

Councillors Aled M Jones and Bryan Owen abstained from voting.

#### **4. GROWTH VISION AND STRATEGY FOR THE ECONOMY OF NORTH WALES : GOVERNANCE AGREEMENT**

Submitted – the report of the Chief Executive on the Growth Vision and Strategy for the Economy of North Wales – Governance Agreement.

The Deputy Leader reported that the Growth Vision for the Economy of North Wales sets out a collective and strategic ambition for North Wales for infrastructure development, skills and employment, and business growth. The five other North Wales Authorities have adopted this strategy and have agreed on a preferred governance mode i.e. a regional joint-committee under the working title of the North Wales Economic Ambition Board: the model is now well established and is on track to present a Bid to Government for initial agreement within 2018. A governance Agreement has been developed for this first stage of the Growth Deal Bid (GA1) for adoption by all partners to the North Wales Economic Ambition Board.

The Head of Function (Council Business)/Monitoring Officer reported that the Governance Agreement has been adopted by the other five North Wales local authorities and will be considered by the four colleges in September. She noted that the adopted governance model for the Board is an Executive Joint Committee and not a Joint Committee of the Council. There will be one representative from each of the 10 partners and the representative from Ynys Môn will be the Council Leader. The Chair of the Board will be appointed on an annual basis from the local authorities' representatives but will not have a casting vote. Gwynedd Council will act as the host authority and the Board will adopt their Standing Orders and Procurement Rules etc. The Board will be held on a monthly basis and will adopt the Access to Information Regulations i.e. publish Agendas, decisions and minutes. The quorum for the body will be 4 out of the local authorities' representatives with one vote each but the non-local authority parties will not be entitled to vote. However, the agreement states that they have a right to be heard. She further noted that there is a procedure to deal with deadlock, but that at the end of that procedure, if there is no majority support the decision will fall. The Board has the capacity to create Sub-Boards, which might have either a statutory basis or an advisory basis, depending on their functions, powers and memberships. The first Board meeting will establish a Transport Sub-Board and the Digital Delivery Sub-Board. Both of these will be formally constituted as sub-committees, on a statutory basis, to be capable of having powers delegated to them. A Code of Conduct is attached to the Agreement and this will apply to the non-local authority parties but this Council's Code of Conduct will apply to our representative.

The Head of Function (Council Business)/Monitoring Officer further reported that the Agreement will cease when the second stage, GA2 commences. The Growth Deal Bid is now at an advanced stage of development with Bid content about to be prioritised according to (1) regional choice and ambition (2) informal Government advice on the programmes and projects, which might qualify for their support and (3) business case assessments. The Growth Deal Bid will move through two approval stages. Firstly, a Heads of Terms Agreement on the strategic content for further development and, secondly, final agreement of the detailed content supported by full and final five case business model evidence and analysis. The aim is to have reached the Heads of Terms Agreement in the autumn of this year, and the final agreement for the new financial year 2019/20.

She further said that the decisions of the Joint Committee will be subject to scrutiny and call-in by the local authorities. The Chairs of the relevant Scrutiny Committee within each partner local authority will be able to co-ordinate their work insofar as the Board is

concerned. This is a power and not an obligation. An Executive Team of 10 Officers, from each party shall be formed for implementing the Growth Deal and the day-to-day management of the Parties' obligations in relation to the Growth Deal. Each authority has contributed a sum of £50k and £25k by the colleges towards the work of preparing the Growth Bid to the Government.

The Portfolio Holder for Major Projects and Economic Development welcomed the report and expressed that this is an example of the six North Wales local Authorities working together for the benefit of North Wales.

The following questions were raised by Members :-

- Councillor Aled M. Jones questioned whether consideration has been given to include the Northern Powerhouse and the Integrated Authority, which represent the Manchester area within the Agreement. He considered that once the Growth Deal links into those areas it is then when prosperity can be sourced to North Wales. The Portfolio Holder for Major Projects and Economic Development responded that he agreed that both organisations are important but they have no influence as regard to the North Wales Growth Bid but it is important to link with them as an Advisory body. Councillor Aled M Jones considered that the opinion of the Northern Powerhouse is important and asked that the Board be aware, during their negotiations, as regard to importance of the Northern Powerhouse as a body;
- Councillor Aled M Jones referred to 3.04 within the report which addresses road and rail infrastructure. He questioned whether the Electrification of the North Wales Railway Network is considered as an UK Wide priority. The Portfolio Holder for Major Projects and Economic Development responded that the electrification of the North Wales Railway Network is not included within the Growth Deal Bid. Councillor Aled M Jones further questioned whether the authority is committed to working with the HS2 – High Speed Rail Link project as it will bring benefit to North Wales when the project is completed. The Portfolio Holder for Major Projects and Economic Development responded that authority is supportive in principle to the project;
- Councillor G O Jones ascertained as to when reports will be submitted to the relevant Scrutiny Committee as regard to the Growth Bid. The Head of Function (Council Business)/Monitoring Officer responded that the Agreement should be signed by the parties at the end of September beginning of October prior to the stage of reaching Heads of Terms with both Governments. The Board will then officially be a legally constituted Joint Committee and will be open to scrutiny by this Council's Partnership and Regeneration Scrutiny Committee.

**It was RESOLVED that :-**

- **Progress on the development of a Growth Deal Bid is noted and welcomed;**
- **The Council approves the non-Executive arrangements i.e. the arrangements for Scrutiny as included in the first stage Governance Agreement;**
- **The Council be presented with the final draft Growth Deal Bid for review and consent in September/October 2018 prior to the stage of reaching Heads of Terms with both Governments;**
- **Delegated authority be given to the Chief Executive and the Head of Function (Council Business)/Monitoring Officer in consultation with the Leader to finalise the terms of the Governance Agreement substantially in accordance with the draft attached as Appendix 1 of the Report;**
- **The Executive arrangements contained within the Governance Agreement to be included in the Constitution and the Council be asked to include the non-Executive arrangements relating to Scrutiny within the Constitution.**

The meeting concluded at 3.05 pm

**COUNCILLOR DYLAN REES  
CHAIR**

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>REPORT TO:</b>	<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>
<b>DATE:</b>	<b>25 SEPTEMBER 2018</b>
<b>SUBJECT:</b>	<b>FINAL ACCOUNTS 2017/18</b>
<b>PORTFOLIO HOLDER(S):</b>	<b>COUNCILLOR ROBIN W. WILLIAMS – PORTFOLIO HOLDER (RESOURCES)</b>
<b>LEAD OFFICER(S):</b>	<b>R MARC JONES</b>
<b>CONTACT OFFICER(S):</b>	<b>BETHAN HUGHES OWEN / CLAIRE KLIMAZEWSKI</b> 01248 752663 / 01248 751865 <a href="mailto:BethanOwen2@ynysmon.gov.uk">BethanOwen2@ynysmon.gov.uk</a> <a href="mailto:ClaireKlimazewski@ynysmon.gov.uk">ClaireKlimazewski@ynysmon.gov.uk</a>
<b>Nature and reason for reporting</b>	
Covering report for the presentation of the Final statement of Accounts, commenting on the main issues arising from the Audit of the Accounts	

## 1. Background

- 1.1 The Isle of Anglesey County Council's draft Statement of Accounts 2017/18 was presented for Audit on the 27 June 2018. The detailed audit work is now substantially complete and the Auditor's report has been issued and a small number of amendments to the draft have been incorporated into the Accounts
- 1.2 Subject to the Isle of Anglesey County Council's confirmation, the Accounts will be signed by the Head of Function (Resources) & Section 151 Officer and the Council's Chairman and will be published following the receipt of the Auditor's Opinion.

## 2. Quality of Process

- 2.1 The statutory deadline for the completion of the Audited Accounts 2017/18 has yet again been met.
- 2.2 Improvements have been made which the audit process identified last year and these improvements have continued. All issues that have arisen throughout the audit were dealt with promptly and in a satisfactory manner.

## 3. Amendment to the Accounts

- 3.1 Details of the main amendments to the draft accounts are set out in the Auditor's Report Appendix 3. All amendments which have been agreed as requiring retatement by Deloitte have been processed and are within the Statement of Accounts.
- 3.2 The significant amendments required to the draft statement have been largely confined to:-
  - 3.2.1 Incorrect reconciliation of Housing Revenue System to the Council's ledger over the last three years, which resulted in an under recognition of revenue;
  - 3.2.2 Incorrect percentages were initially used in the internal valuers report that led to incorrect calculation of fixed asset revaluation amounts;

**3.2.3** Following a review of the treatment of the earmarked reserve for the Penhesgyn Waste Landfill site, it was identified that this meets the criteria for a provision, and therefore a provision has been charged to the CIES. The earmarked reserve has been released;

**3.2.4** The treatment of a payment to the Local Government Pension Scheme Fund in respect of the past service liability was incorrectly treated as a pre-payment in the draft accounts. The value of the payment in respect of 2018/19 and 2019/20 is now shown as a negative earmarked reserve and this will be written down to zero over the next 2 financial years. This treatment does not follow the auditor's opinion but does not have a material impact on the accounts.

#### **4. Auditors Recommendations**

**4.1** The Auditors, following their work on the Statement of Accounts, have made:-

Seven recommendations in relation to accounting and payroll control;  
Two recommendations in relation to IT;  
Four recommendations in relation to asset valuation

**4.2** These recommendations are included in Appendix 4 of the Auditor's report.

#### **5. Recommendations**

**5.1** To accept the Statement of Accounts 2017/18.

**5.2** To note the acceptance of the Annual Governance Statement 2017/18 by Audit and Governance Committee and refer the document to the Leader of the Council and the Chief Executive for signature.



# Ynys Môn

# THE ISLE OF Anglesey

## Statement of Accounts 2017/18



Isle of Anglesey  
County Council  
Plan 2017 - 2022



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

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## **Narrative Report**

The Statement of Accounts is produced annually to give electors, local taxpayers, members of the Council, employees and other interested parties clear information about the Council's finances. This narrative report, which is a key section of the accounts, aims to provide an effective guide to the most significant matters reported in the accounts. This is in order to provide a fair, balanced and easy to understand explanation of the Council's financial position and to assist in the interpretation of the financial statements. It also contains additional information about the Council in general and the main influences on the financial statements which link between the Council's activities and challenges and how these impact on its financial resources.

The narrative report is structured as follows:-

1. The Statutory Framework
2. About the Isle of Anglesey County Council
3. Overview and performance analysis
4. Main issues from the 2017/18 Accounts
5. Explanation of the Financial Statements

### **1. The Statutory Framework**

The Council has a statutory duty to approve and publish a Statement of Accounts. The following pages relate to the Statement of Accounts for the Isle of Anglesey County Council for the year ended 31 March 2018.

The Accounts and Audit (Wales) Regulations 2014 came into force on 31 March 2015, as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018 for the accounts year 2015/16 and future periods. These regulations require Welsh Local Authorities to prepare a Statement of Accounts in accordance with these regulations and proper practices.

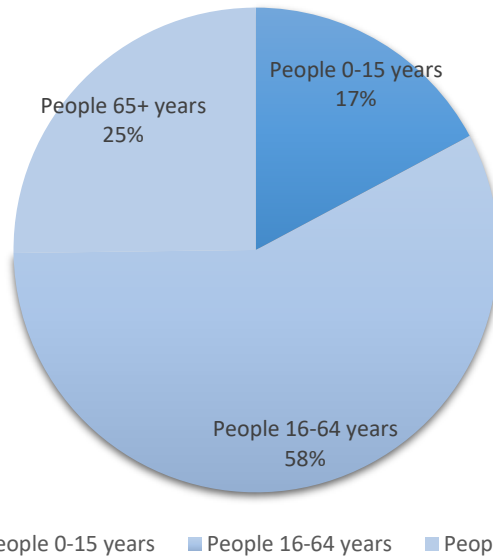
Regulation 25 of the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (SI 2003/3239 (W.319), as amended) identifies proper practices for the preparation of the Statement of Accounts. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 and the Service Reporting Code of Practice 2017/18 issued by CIPFA, supported by International Financial Reporting Standards (IFRS). In addition, this narrative incorporates guidance from HM Treasury's Financial Reporting Manual (FReM), sections 5.2.1 to 5.2.10 as encouraged by the CIPFA code.

### **2. About The Isle of Anglesey County Council**

The Isle of Anglesey County Council is a unitary authority and serves a population of 69,979, situated on the north coast of Wales with an area of 276 square miles. Anglesey is by far the largest island in Wales and the seventh largest in the British Isles. Anglesey is also the largest island in the Irish Sea by area, and the second most populous island in the British Isles.

Anglesey has a relatively older population than the Wales Average (20.4%) with 25.2% of the population aged 65+. This figure reflects in the Council's plan to support people to live well and for longer.

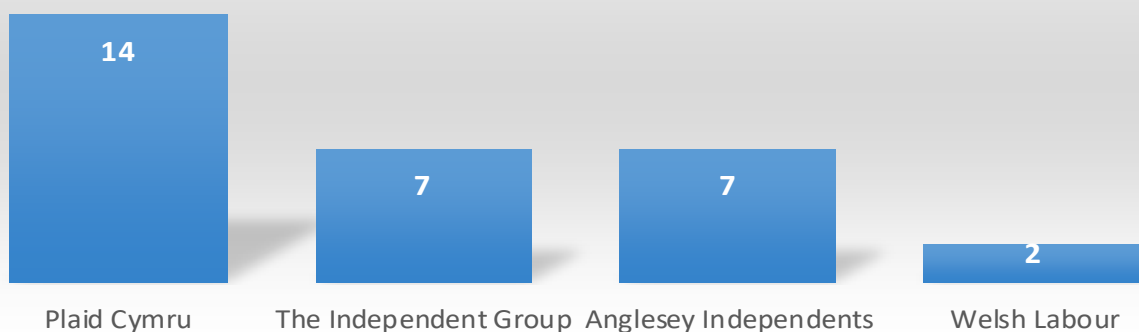
## Age Structure of Anglesey



The Council is responsible for ensuring a wide range of services is provided to the residents, businesses and visitors to the Island. These include education, safeguarding vulnerable children and adults, social care, public health, highways, leisure, culture, waste collection, planning, administration of housing, benefits, regeneration and community engagement. In addition to providing services, the Council is also responsible for the collection of local taxation in the form of Council Tax and Non-Domestic Rates on behalf of Welsh Government.

The Council is a politically-led organisation and has adopted a Leader and Cabinet model. It has 30 elected members representing 11 multi-member wards across the County. Following the election in May 2017 the Council has operated under a Plaid Cymru and The Independents Group coalition administration. The political make-up of the Council as at 31 March 2018 is shown below:-

## Isle of Anglesey County Council's Political Groupings



### 3. Overview

#### 3.1 Statement from the Leader of the Council

As Leader of the Council, it is my responsibility to ensure that the important milestone of producing the Annual Statement of Accounts is achieved on time each year. The accounts provide a large amount of financial information on how the Council was funded and how it spent that money during 2017/18. It is important in terms of accountability for the Council to provide this information to residents, local Council Tax payers, businesses who pay the non-domestic rates and other stakeholders including the Welsh Government.

The Council's funding is a mixture of funding from the Welsh Government via the Revenue Support Grant and the Council's share of the Non Domestic Rates pool, local taxation through Council Tax and the fees and charges paid by the Council's customers. In 2017/18, the Council's net budget was £126.4m of which £33.5m came from Council Tax. The increase in Council Tax was 2.5%. For the first time, the Council charged an additional Council Tax premium of 25% on long-term empty properties and second homes. This generated an additional £949k in Council Tax income.

The results of the year highlight the growing financial pressure which the Council faces. Increasing numbers of looked after children was the main factor in the overspend of £1.456m, although other services, notably Education, also experienced budget pressures. The overall revenue position at the end of the financial year resulted in a reduction of £1.456m in the Council's general reserves. The total balance on the Council's General Reserve is £6.899m. The HRA general reserve is £7.380m, there is a balance of £1.869m in school balances and £7.601m in other designated reserves at 31 March 2018.

The future for public sector funding still remains uncertain and in particular what impact the decision to leave the European Union will have on the UK economy. It is anticipated that the Council will experience further reductions in funding from Welsh Government over the next three years and the Council's Medium Term Financial Strategy has identified the continued need to reduce annual revenue expenditure over this period. Having a healthy level of reserves and balances will help in the short-term, but it is not a sustainable source of funding. Therefore, the Council is currently reviewing all the services it delivers and looking at alternative methods of delivery which will allow the services to continue but at a lower cost. This will include working more in partnership with Town and Community Councils, Community and Voluntary Organisations and Third Sector Organisations.

2017/18 was my first year as Leader and the Council's plans for the 5 year period up until the next County Council election are set out in the Council's Corporate Plan. Although the financial situation will limit what the Council can achieve over the coming years, the Plan sets out our commitment to three key objectives and future investment will be directed to ensure the Plan is delivered. The Council is also working with other Councils and partners across North Wales to secure additional Government funding which will deliver economic growth across the region.

The financial standing of an organisation is seen as a key indicator of the overall standard of corporate governance. I am confident that, through the continued sound financial management, the Council will continue to be financially strong and sustainable into the future

**Llinos Medi Huws**  
**Leader of the Council**

**May 2018**

## **3.2 Key purpose and activities of the Council**

The Corporate Plan was approved by Council 27 September 2017. It is a plan that sets a target to work towards. It is ambitious, however, it is realistic.

The plan informs the decision-making process at all levels in the Council and

- Sets the framework we use to plan, drive and deliver our services;
- Influences how and the way that we shape our budget annually; and
- Helps to monitor progress and assess what we achieve annually.

The key theme throughout the plan is the ambition to work collaboratively with our fellow citizens, communities and partners to ensure high quality services that will improve the quality of life for everyone on the Island.

The priorities that the Authority has set itself during this period are, to:

- Create the conditions for everyone to achieve their long-term potential;
- Support vulnerable adults and families and keep them safe, healthy and as independent as possible;
- Working in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment.

The plan has been developed and shaped by the views of local people, our partners as well as by local and national political priorities such as the Well-being Agenda.

Public services across Wales and the UK are continuing to plan for cuts in funding that we receive, and there will be more difficult decisions ahead about the services that we provide and how we provide them. We will continue to take those decisions in consultation with local people and with the best interest of Anglesey and its people at heart.

The Council will continue to look for ways to improve services, making them more efficient and of the best quality. These improvements include continuing to modernise the way we work.

There are many challenges ahead but by working together with the people and communities of Anglesey, every effort will be made to deliver on this new plan.

### **3.2.1 Financial Scenario**

In common with all Local Authorities in Wales, the Isle of Anglesey County Council needs to manage a situation whereby the costs and demands of services are growing but the amount of funding available is reducing year-on-year. Against this backdrop, the Council needs to manage growing demands for services, inflationary pressures, a need to invest in the local economy to promote growth and a desire to continually improve services.

The Council has responded to the reduction in funding by making substantial savings in the last three years and continues to ensure, wherever possible, these are found through improving efficiency rather than impacting on services. The Council's Medium-Term Financial Plan (MTFP) is reviewed and reported to members, September and February during each year to help plan how the Council will manage its finances with on-going budgetary pressures and funding risks. The Council's most recent MTFP (September 2018) predicts a potential cut of funding of 1% (£900k) for 2019/20 from the Welsh Government's non-specific external funding. This would require an increase of 2.6% in Council Tax to make up the shortfall. Increased budgetary pressures include: National Living Wage; Teachers' Pay Award; Teachers' increased Pension Costs; significant demand for statutory services particularly Children's Social Care; revenue costs arising from the 21 Century Schools Programme; a reduction in specific grants and inflationary pressures. The MTFP predicts the following shortfall in funding for 2019/20 to 2021/22 as follows:

### Estimated Funding Gap

	2019/20 £m	2020/21 £m	2021/22 £m
Estimated Standstill Budget	136.72	140.63	144.87
Savings Brought Forward	0.00	(4.98)	(7.04)
<b>Revised Standstill Budget</b>	<b>136.72</b>	<b>135.65</b>	<b>137.83</b>
Estimated Funding	131.74	133.59	135.53
<b>Annual Savings Requirement</b>	<b>4.98</b>	<b>2.06</b>	<b>2.30</b>
<b>% Savings Requirement</b>	<b>3.64%</b>	<b>1.51%</b>	<b>1.67%</b>

The savings required from the current MTFP forecast are significant with £4.98m predicted for 2019/20 alone. The total savings required over the three-year period is estimated to be £9.34m. The future funding of Local Government in Wales is very uncertain and accurately forecasting future funding levels is difficult. However, even if the Welsh Government releases additional funds for local government it is unlikely that any increase will be sufficient to bridge the funding gap. Significant cuts to budgets will still need to take place over the next three years. Therefore, the key focuses for the Medium-Term Financial Plan are:

- Seeking to transfer to provision of some services away from the Council, for example, to Town and Community Councils or the Third Sector;
- Creating other bodies controlled by the Council to deliver services for some non-statutory services;
- To continue to modernise and review schools;
- To manage demand for social care and continue to transform care for the elderly through extra-care facilities which promote independence and will reduce residential care placements;
- Increasing the charges made to service users;
- Stopping the provision of some non-statutory services;
- To continue to modernise the administration of the services and increase transactions with the Council online or via AppMon;



- Increasing Council Tax levels above the 5% assumption in order to generate sufficient funding to balance the revenue budget. The Council's current council tax charge is the 5<sup>th</sup> lowest in Wales.

In addition, the Council's balances have reduced in 2017/18 (£1.456m) and are expected to reduce by a similar level in 2018/19 due to overspends mainly in Children's Services. The below table shows reserve balances for 2015/16 to 2017/18 and an estimate for 2018/19.

### **Council Fund Reserves 2015/16 to 2018/19**

	2015/16 £'m	2016/17 £'m	2017/18 £'m	2018/19 £'m (forecast)
General Balances	8.89	8.35	6.95	4.75
Earmarked Reserves	15.99	13.36	11.91	6.50
School Balances	2.46	2.09	1.87	1.08
<b>TOTAL</b>	<b>27.34</b>	<b>23.80</b>	<b>20.73</b>	<b>12.33</b>

### **3.3 Key achievements, issues and risks affecting the Council**

During 2017/18, work began on these priorities with the following key achievements achieved during the financial year:-

1. Work was completed on two new primary schools (Ysgol Cybi and Ysgol Rhyd y Llan) under the Welsh Government's 21st century schools programme. This saw six small primary schools closing with the pupils transferring to two new schools during 2017.
2. Work has commenced on the refurbishment of Ysgol Parc y Bont and Ysgol Brynsiencyn under the Welsh Government's 21<sup>st</sup> century schools programme. The work is expected to be completed during 2018/19.
3. The building of Llangefni Extra Care with a Registered Social Landlord is progressing; this is the start of transforming the delivery of Adult Social Care. The building will be available to residents from summer 2018.
4. Phase 1 of the refurbishment of Market Hall in Holyhead was completed and funding has been secured to undertake Phase 2. The work that will be undertaken to complete Phase 2 will begin in 2018/19.
5. Despite the continued reduction in central government funding, the Council delivered £2.44m of revenue savings in 2017/18 and identified a further £2.52m in setting the 2018/19 budget. Although this has required an above-inflation increase in Council Tax, Anglesey's Band D equivalent continues to be one of the lowest in Wales.

6. The reduction in Revenue Support Grant from Welsh Government is expected to continue in 2019/20 and there is still uncertainty as to the position beyond 2019/20. This combined with increasing demand for services, in particular social care, will put the council under considerable financial pressure. In previous years, the Council has been able to maintain a high level of general balances but in 2017/18 these balances fell and are currently just above the minimum level set by the Council. As the financial pressures increase, the risk that these balances continue to fall is high and that they will not provide the level of financial security the Council requires.
7. Increasing numbers of Looked-After-Children and other social care demands are a considerable risk to the Council's balances due to the high cost of placements for individuals with complex needs.
8. The UK leaving the European Union (EU) could lead to a number of risks. The Council will no longer receive European grant funding and there is no certainty on any replacement funding. The impact on the economy from leaving the EU could also impact on the Council as weaker economic growth will reduce the Welsh Government's ability to increase funding for Local Government.
9. The Isle of Anglesey has several large private sector organisations proposing to invest heavily in the Island. One of these is the planned construction of a new Nuclear power station in the North of the island. A summary of the potential developments is provided on the website at <http://www.anglesey.gov.uk/business/energy-island-isle-of-anglesey-north-wales>. Each one of the developments present exciting opportunities for the Island particularly in respect to creation of jobs. There is a risk that any of these proposals might not go ahead which would be lost opportunities for the economy, visitors and citizens of Anglesey. The Council is working in partnership with many of these organisations to support the progression of these within the powers and duties of the Council. These will help with achieving the Council's key priorities such as economic development.
10. The Council is currently working in partnership with the 5 other North Wales authorities on the North Wales Growth Bid. The bid, if successful, will attract over £300m of UK and Welsh Government funding along with private sector investment. As with any large scale funding projects, there are risks surrounding project delivery and financing any borrowing that is required.

### **3.4 Summary of Performance**

#### **3.4.1 Revenue Expenditure**

The Statement of Accounts sets out the Council's spending and funding in line with accounting requirements. The Council measures financial performance against planned activity in the form of the Council's management accounts. In 2017/18, the Council reported an overspend of £1.78m against a planned activity of £126.2m (net budget) and achieved £1.704m of savings. The table below reflects the final budget for 2017/18 and actual income and expenditure against it.

<b>Services</b>	<b>Annual Budget £'000</b>	<b>Outturn £'000</b>	<b>Variance £'000</b>
<b>Lifelong Learning</b>	48,237	49,013	776
<b>Adults' Services</b>	22,541	22,687	146
<b>Children's Services</b>	8,293	10,075	1,782
<b>Housing</b>	1,034	1,087	53
<b>Highways, Waste &amp; Property</b>	14,099	13,932	(167)
<b>Regulation</b>	4,275	4,329	54
<b>Transformation</b>	3,932	3,745	(187)
<b>Resources</b>	2,933	3,096	163
<b>Council Business &amp; Corporate Finance</b>	20,813	19,649	(1,164)
<b>Total Council Fund</b>	<b>126,157</b>	<b>127,613</b>	<b>1,456</b>

The impact of an overspend means that the Council reduced its General reserves by £1.456m.

The presentation above reflects how costs are categorised, monitored and managed within the Council. The following Accounts report the same expenditure and income but in a different format to comply with the statutory external reporting requirements. This incorporates additional costs such as depreciation or changes in the value of property, which, under regulation, is not chargeable to useable reserves in the year.

### **3.4.2 Capital Expenditure**

The capital programme supports the Council's wider objective to deliver services and to support economic growth. In 2017/18, the Council approved a Capital Programme for non-housing services of £30.614m and approved a Capital Programme for the HRA of £9.889m. Capital commitments were brought forward from 2016/17 of £6.435m, of which £1.758m related to the 21<sup>st</sup> century schools programme, £2.984m relating to the HRA and £1.693m relating to the General Fund. During the financial year, a further £5.734m worth of Schemes were added to the programme, mostly funded by extra Capital Grants, although £2.566m related to Equal Pay funded by Unsupported Borrowing, after the Authority received a Capitalisation Direction. This brings the capital budget for 2017/18 to £52.672m.

The programme has made steady progress in year, achieving a delivery rate of 55.73%. It is expected that the remaining schemes will be delivered over the coming few years.

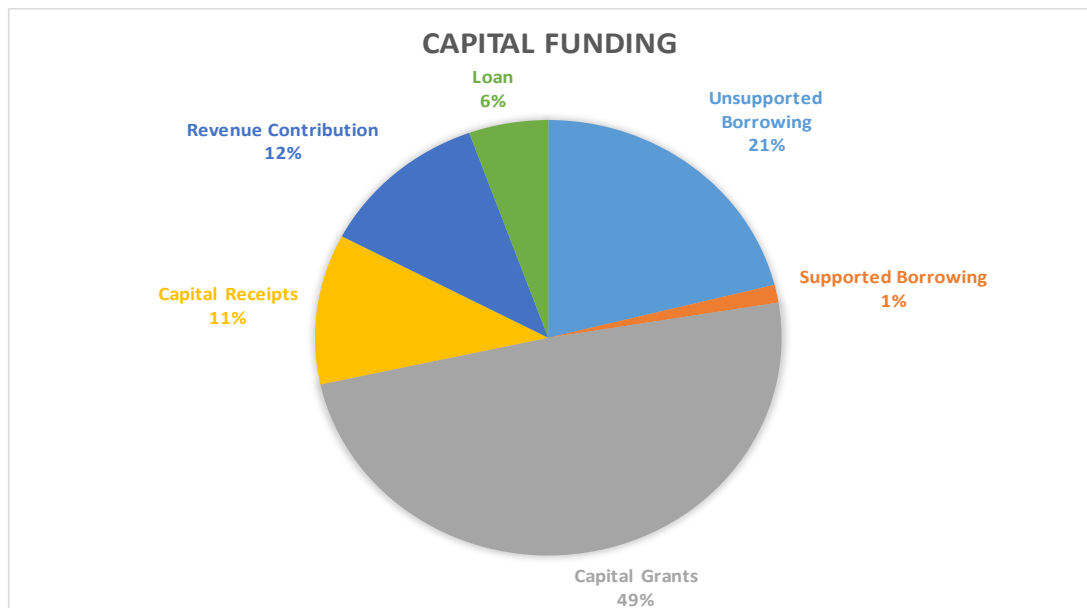
From this total spend of £29.355m, £16.282m was capitalised and added to the value of assets in the Council's Balance Sheet. The remainder was charged to the Comprehensive Income and Expenditure Statement as it was either in support of assets that are not in direct Council ownership (£3.724m) or did not increase the value to the capital assets (£9.349m).

<b>Scheme</b>	<b>Amount (£'000)</b>
Band A 21st Century School – Ysgol Cybi	978
Band A 21st Century School – Ysgol Rhyd y Llan	2,161
Band A 21st Century School – Ysgol Parc y Bont	550
Band A 21st Century School – Ysgol Bro Rhosyr / Aberffraw	1,540
Band A 21st Century School – Ysgol Llangefni: Corn Hir, Bodffordd and Henblas	4
New Planning System	15
Llangefni Strategic Infrastructure	624
Holyhead Strategic Infrastructure	11
Highways County Prudential Borrowing	895
Llangefni Link Road	3,606
Beaumaris Flood Alleviation	46
Street Lighting	896
Road Safety Capital	163
Vehicles	365
Telehandler	66
Smallholdings	537
ICT - MS Licensing	116
ICT - Server Storage	22
EDMS System	89
ICT – Core Infrastructure	142
ICT - Replacement Servers	4
ICT – Projects	78
ICT – Desktop Refresh	99
ICT – Legacy System	19
Market Hall, Holyhead	1,024
Canolfan Byron	152
Community Care Information System (CCIS)	31
Residential Site for Gypsies and Travellers	119
Vehicles – HRA	158
Acquisition of Property	1,772
<b>Total</b>	<b>16,282</b>

The table below analyses the expenditure that has been capitalised:-

<b>Funded By:</b>	<b>£'000</b>
Unsupported Borrowing	3,434
Supported Borrowing	216
Capital Grant	8,001
Capital Receipts	1,817
Revenue Contribution	1,918
Loan	896
<b>Total</b>	<b>16,282</b>

## A note of the Authority's current borrowing facilities and capital borrowing



As at 31 March 2018, the Authority had £117.029m of External Borrowing. At this time, the Authority's Capital Financing Requirement (CFR), which essentially is a measure of the Council's underlying borrowing need, was £136.866m. In the Treasury Management Statement for 2017/18, the Authorised Borrowing Limit approved by the Council was £170m, therefore, the Authority is well within its borrowing limit.

### **A summary of the Authority's internal and external sources of funds available to meet its capital expenditure plans and other financial commitments**

As at 31 March 2018, the Authority's internal sources of funds were cash deposits at bank of £7.319m. The external borrowing figure was £117.029m.

#### **3.4.3 Balance Sheet**

The Council's Balance Sheet demonstrates a good financial position at the end of 2017/18 with a net value of £183.2m. This is an increase of £18.38m from last year, mainly due to increases in the value of non-current assets such as Council Dwellings, Property, Plant and Equipment and the two new 21st Century Schools which become operational during the year.

The details of the Council's long-term and short-term assets and liabilities are shown in the Balance Sheet as at 31 March 2018 on page 21.

## Reserves

The £18.38m increase in the Council's net worth set out above is the result of a £25.657m increase in unusable reserves and a £7.276m decrease in usable balances (including the HRA).

### 4. Main Issues impacting on the 2017/18 Accounts

The Council set a net budget of £126.2m for 2017/18 to be funded from a combination of Council Tax Income, NDR and general grants. The budget included a requirement to achieve a savings figure of £2.44m, which was incorporated into the individual service budgets. The outturn position was an overspend of £1.456m. The overspend is made up of departmental under or overspends, unused contingencies and any other one-off items identified during the financial year.

#### Pensions

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

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

The current economic climate continues to have an impact on the net Pensions Liability. One of the changes on the Balance Sheet relates to the Council's pensions' reserve, where the Council's liability has reduced from £105.508m to £102.188m, a reduction of £3.32m. It is important to note that the reduced liability in the pension position is based on actuarial valuations. The Council's actual payments to the Pension Fund are reviewed every three years as part of the triennial valuation of the Pension Fund. An investment strategy is then determined which aims to recover any deficits over the period as determined by the Pension Fund's Actuary (Hymans Robertson LLP).

The most recent valuation was completed in 2016 which identified a funding gap on historic pension cost obligations of £3.882m. This was due to be funded over the three year period 2017/18 to 2019/20 by an increased percentage to the employers' contribution to the Gwynedd Pension Fund. It was identified that the Council could make a saving of approximately £200k if a lump sum payment was made instead as this would increase investment income to the fund and reduce the Council's pension liability by the amount of the lump sum payment. The Council, therefore, made a payment of £3.666m in April 2017 which has been charged to Non Distributable Costs and the Housing Revenue Account (HRA) in the Comprehensive Income and Expenditure Statement.

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

## Provisions

Total provisions held by the Council amounted to £5.462m at 1 April 2017. During the year, the balance reduced by £0.136m to £5.326m. There was a reduction relating to the reversal of the provision for Equal Pay of £2.663m. These costs have been funded from capital instead following approval from Welsh Government. The insurance provision was reduced to £0.265m in accordance with estimated need. Three new short-term provisions were created during the year amounting to £0.430m in total, to provide for future expected costs which might arise from a past obligation. The Penhesgyn provision has been increased by £2m funded by the Penhesgyn earmarked reserve.

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

## 5. Explanation of the Financial Statements

The Statement of Accounts sets out details of the Council's income and expenditure for the financial year 2017/18 and its Balance Sheet as at 31 March 2018. These statements include the General Fund and the Housing Revenue Account (HRA). They set out the respective responsibilities of the Council and the Council's Head of Function (Resources), who is the designated Section 151 Officer.

### Core Financial Statements:-

The Statement of Accounts includes the core financial statements, which are:-

1. **The Comprehensive Income and Expenditure Statement (CIES)** – shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.
2. **Expenditure and Funding Analysis (EFA)** – shows the information in the CIES but also provides the accounting adjustments which are cancelled out in Note 7 to ensure that these adjustments are not funded by Council Tax Payers. The first column of the Expenditure and Funding Analysis provides the real impact of the year's financial performance on the Council and HRA's balances and reserves.
3. **The Movement in Reserves Statement (MIRS)** – shows the movement in the year of reserves held by the Council, analysed between 'usable and unusable' reserves. The statement shows the true economic cost of providing the Authority's services and how those costs are funded from the various reserves.
4. **The Balance Sheet** – shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets are matched by reserves held by the Authority.
5. **The Cash Flow Statement** – shows the changes in cash and cash equivalents of the Council during the reporting period.
6. **The Notes** – the notes to the core Financial Statements provide more details about the Council's accounting policies and items contained in the statements.

## Supplementary Financial Statements

1. **The Statement of Responsibilities for the Statement of Accounts** – explains the responsibilities of the Council and the Section 151 Officer.
2. **The Housing Revenue Account (HRA)** is a record of revenue expenditure and income relating to the Council's housing stock. Its primary purpose is to ensure that expenditure on managing tenancies and maintaining dwellings is balanced by rents charged to tenants. The Housing Revenue Account is ring-fenced from the Council's General Fund.
3. **Auditor's Opinion** - as the Council's External Auditor, the Auditor General for Wales will carry out the statutory audit and sign the Statement of Accounts following the Section 151 Officer signing and dating the Statement of Accounts. They then issue an opinion as to whether the Accounts need to be qualified or are unqualified. The deadline for this opinion is 30 September following the year-end.
4. **Changes in Accounting Policy**  
There are no material changes to accounting treatment required for 2017/18.

The Statement of Accounts concludes with the Annual Governance Statement (AGS) 2017/18. This is found on page 111 to page 138. The AGS provides an overview of the Council's governance framework. It also provides a summary of reports and reviews which comment on governance and performance issues relating to the Council.



## THE STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

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

The Isle of Anglesey County Council is required to:-

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

### The Section 151 Officer's responsibilities

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

In preparing this Statement of Accounts, the Section 151 Officer has:-

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

The Section 151 Officer has also:-

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

### Certificate

**I certify that this Statement of Accounts gives a true and fair view of the financial position of the Isle of Anglesey County Council at the accounting date and its income and expenditure for the year ended 31 March 2018.**

Signed: \_\_\_\_\_

**Richard Marc Jones CPFA  
HEAD OF FUNCTION (RESOURCES) AND SECTION 151 OFFICER**

Signed \_\_\_\_\_

**Councillor Dylan Rees  
CHAIRMAN ISLE OF ANGLESEY COUNTY COUNCIL**

**Dated: 25 September 2018**

## **Proposed Audit Report of the Auditor General to the Members of Isle of Anglesey County Council**

I have audited the financial statements and related notes of Isle of Anglesey County Council for the year ended 31 March 2018 under the Public Audit (Wales) Act 2004.

Isle of Anglesey County Council financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Movement on the Housing Revenue Account Statement and the Housing Revenue Account Income and Expenditure Statement and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18 based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements: -

- give a true and fair view of the financial position of Isle of Anglesey County Council as at 31 March 2018 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18.

### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Conclusions relating to going concern**

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where: -

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the responsible financial officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about [the council's [or group's]] ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The responsible financial officer is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated later in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

## **Report on other requirements**

### **Opinion on other matters**

In my opinion, based on the work undertaken in the course of my audit:-

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18;
- The information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with guidance.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the council and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:-

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

### **Certificate of completion of audit**

I certify that I have completed the audit of the accounts of Isle of Anglesey County Council in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

## **Responsibilities**

### **Responsibilities of the responsible financial officer for the financial statements**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 14, the responsible financial officer is responsible for the preparation of the statement of accounts, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the council's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

## **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually Page 14 and 15 - Audit of Financial Statements Report – Isle of Anglesey County Council or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

**Anthony J Barrett**

**For and on behalf of the Auditor General for Wales**

**28 September 2018**

**24 Cathedral Road**

**Cardiff**

**CF11 9LJ**

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR YEAR ENDED 31 MARCH 2018

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

2017/18			Services	Note	2016/17		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000			Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
82,552	(14,508)	68,044	Lifelong Learning		64,482	(13,974)	50,508
34,329	(10,505)	23,824	Adult Services		32,130	(9,054)	23,076
10,388	(710)	9,678	Children's Services		8,902	(466)	8,436
4,647	(3,768)	879	Housing		5,993	(3,906)	2,087
29,430	(8,404)	21,026	Highways, Property and Waste		29,431	(7,625)	21,806
12,529	(5,950)	6,579	Regulation and Economic Development		11,694	(6,284)	5,410
7,432	(209)	7,223	Transformation		4,433	(223)	4,210
28,097	(19,815)	8,282	Resources		28,461	(19,598)	8,863
2,182	(353)	1,829	Council Business		1,994	(458)	1,536
2,541	(707)	1,834	Corporate and Democratic Costs		2,321	(194)	2,127
596	(9)	587	Corporate Management		892	(11)	881
3,724	-	3,724	Non-distributed costs		97	-	97
10,841	(16,778)	(5,937)	Housing Revenue Account (HRA)		10,137	(16,285)	(6,148)
<b>229,288</b>	<b>(81,716)</b>	<b>147,572</b>	<b>Deficit on Continuing Operations</b>		<b>200,967</b>	<b>(78,078)</b>	<b>122,889</b>
		23,148	Other operating expenditure	12			23,042
		8,628	Financing and investment income and expenditure	13a			8,861
		(146,749)	Taxation and non-specific grant Income	14			(145,252)
		<b>32,599</b>	<b>Deficit on Provision of Services</b>				<b>9,540</b>
		(41,122)	Surplus on revaluation of non-current assets	11c, 15 & 17			(7,631)
		(9,858)	Re-measurement of net Pension liability	11ch & 41			7,333
		<b>(50,980)</b>	<b>Other Comprehensive Income and Expenditure</b>				<b>(298)</b>
		<b>(18,381)</b>	<b>Total Comprehensive Income and Expenditure</b>				<b>9,242</b>

**EXPENDITURE AND FUNDING ANALYSIS 2017/18**

2017/18			Services	2016/17		
Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000	£'000	£'000	£'000	
46,952	21,092	68,044	Lifelong Learning	46,832	3,676	50,508
22,519	1,305	23,824	Adult Services	22,379	697	23,076
9,926	(248)	9,678	Children's Services	8,955	(519)	8,436
724	155	879	Housing	1,087	1,000	2,087
16,437	4,589	21,026	Highways, Property and Waste	17,631	4,175	21,806
3,739	2,840	6,579	Regulation and Economic Development	3,954	1,456	5,410
4,038	3,185	7,223	Transformation	3,897	313	4,210
7,998	284	8,282	Resources	8,788	75	8,863
1,689	140	1,829	Council Business	1,536	-	1,536
2,142	(308)	1,834	Corporate and Democratic Costs	2,495	(368)	2,127
587	-	587	Corporate Management	881	-	881
3,464	260	3,724	Non-distributed costs	-	97	97
(6,718)	781	(5,937)	Housing Revenue Account (HRA)	(7,806)	1,658	(6,148)
<b>113,497</b>	<b>34,075</b>	<b>147,572</b>	<b>Net Cost of Services</b>	<b>110,629</b>	<b>12,260</b>	<b>122,889</b>
(106,221)	(8,752)	(114,973)	Other Income and Expenditure	(107,593)	(5,756)	(113,349)
<b>7,276</b>	<b>25,323</b>	<b>32,599</b>	<b>(Surplus) or Deficit on the Provision of Services</b>	<b>3,036</b>	<b>6,504</b>	<b>9,540</b>
(31,345)			Opening General Fund and HRA balance at 1 April	(34,381)		
7,276			Less Deficit on General Fund and HRA Balance in Year	3,036		
<b>(24,069)</b>			<b>Closing Council Fund Balances and HRA Balance at 31 March</b>	<b>(31,345)</b>		

## MOVEMENT IN RESERVES STATEMENT FOR YEAR ENDED 31 MARCH 2018

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

	Council Fund Balance £'000	Earmarked Council Fund Reserves (Note 8) £'000	HRA Balance (Supplementary Financial Statements) £'000	Capital Receipts Reserve (Note 10) £'000	Schools Balances (Note 9) £'000	Capital Grants Unapplied (Note 14) £'000	HRA Earmarked Reserve (Note 8) £'000	Total Usable Reserves £'000	Total Unusable reserves (Note 11) £'000	Total Reserves (of the Council) £'000
<b>Balance 1 April 2016</b>	<b>8,886</b>	<b>15,991</b>	<b>7,042</b>	-	<b>2,462</b>	-	-	<b>34,381</b>	<b>139,680</b>	<b>174,061</b>
<b>Movement in reserves during the year</b>										
Surplus/(Deficit) on provision of services	(8,384)	-	(1,156)	-	-	-	-	<b>(9,540)</b>	-	<b>(9,540)</b>
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	<b>298</b>	<b>298</b>
<b>Total Comprehensive Income and Expenditure</b>	<b>(8,384)</b>	-	<b>(1,156)</b>	-	-	-	-	<b>(9,540)</b>	<b>298</b>	<b>(9,242)</b>
Adjustments between accounting basis and funding basis under regulations (Note 7)	4,846	-	1,658	-	-	-	-	<b>6,504</b>	<b>(6,504)</b>	-
<b>Net Increase/ (Decrease) before Transfers to Earmarked Reserves</b>	<b>(3,538)</b>	-	<b>502</b>	-	-	-	-	<b>(3,036)</b>	<b>(6,206)</b>	<b>(9,242)</b>
Transfers to/(from) Earmarked Reserves (Note 8)	3,007	(2,634)	-	-	(373)	-	-	-	-	-
<b>Increase/(Decrease) In Year</b>	<b>(531)</b>	<b>(2,634)</b>	<b>502</b>	-	<b>(373)</b>	-	-	<b>(3,036)</b>	<b>(6,206)</b>	<b>(9,242)</b>
<b>Balance 31 March 2017</b>	<b>8,355</b>	<b>13,357</b>	<b>7,544</b>	-	<b>2,089</b>	-	-	<b>31,345</b>	<b>133,474</b>	<b>164,819</b>
<b>Movement in reserves during the year</b>										
Surplus/(Deficit) on provision of services	(31,789)	-	(810)	-	-	-	-	<b>(32,599)</b>	-	<b>(32,599)</b>
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	<b>50,980</b>	<b>50,980</b>
<b>Total Comprehensive Income and Expenditure</b>	<b>(31,789)</b>	-	<b>(810)</b>	-	-	-	-	<b>(32,599)</b>	<b>50,980</b>	<b>18,381</b>
Adjustments between accounting basis and funding basis under regulations (Note 7)	24,215	-	781	327	-	-	-	<b>25,323</b>	<b>(25,323)</b>	-
<b>Net Increase/(Decrease) before Transfers to Earmarked Reserves</b>	<b>(7,574)</b>	-	<b>(29)</b>	<b>327</b>	-	-	-	<b>(7,276)</b>	<b>25,657</b>	<b>18,381</b>
Transfers to/(from) Earmarked Reserves (Note 8)	6,118	(5,756)	(135)	(7)	(220)	-	-	-	-	-
<b>Increase/(Decrease) In Year</b>	<b>(1,456)</b>	<b>(5,756)</b>	<b>(164)</b>	<b>320</b>	<b>(220)</b>	-	-	<b>(7,276)</b>	<b>25,657</b>	<b>18,381</b>
<b>Balance 31 March 2018</b>	<b>6,899</b>	<b>7,601</b>	<b>7,380</b>	<b>320</b>	<b>1,869</b>	-	-	<b>24,069</b>	<b>159,131</b>	<b>183,200</b>

## BALANCE SHEET AS AT 31 MARCH 2018

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

	Note	31 March 2018 £'000	31 March 2017 £'000
Property, plant and equipment	15	386,886	363,736
Heritage assets	17	3,645	3,454
Investment property	18	5,791	6,092
Intangible assets	19	756	606
Long-term investments	44	1	1
Long-term debtors	24	608	646
<b>Long-term Assets</b>		<b>397,687</b>	<b>374,535</b>
Short-term investments	44	5	5
Assets held for sale	21	2,442	3,524
Inventories	23	385	367
Short-term debtors	24	24,031	20,199
Cash and cash equivalents	25	7,789	14,940
<b>Current Assets</b>		<b>34,652</b>	<b>39,035</b>
Short-term borrowing	44	(12,413)	(7,672)
Short-term creditors	26	(18,251)	(18,112)
Short-term provisions	27	(695)	(2,831)
Capital grants receipts in advance	37	(3,897)	(273)
<b>Current Liabilities</b>		<b>(35,256)</b>	<b>(28,888)</b>
Long-term creditors	26	(151)	(166)
Long-term provisions	27	(4,631)	(2,631)
Long-term borrowing	44	(106,913)	(111,557)
Other long-term liabilities	41	(102,188)	(105,509)
<b>Long-term Liabilities</b>		<b>(213,883)</b>	<b>(219,863)</b>
<b>Net Assets</b>		<b>183,200</b>	<b>164,819</b>
Usable reserves	MRS	24,069	31,345
Unusable reserves	11	159,131	133,474
<b>Total Reserves</b>		<b>183,200</b>	<b>164,819</b>



## CASH FLOW STATEMENT – FOR YEAR ENDED 31 MARCH 2018

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

	Note	2017/18 £'000	2016/17 £'000
<b>Net Deficit on the provision of services</b>		<b>(32,599)</b>	<b>(9,540)</b>
Adjustments to net surplus or deficit on the provision of services for non- cash movements	28	39,406	33,924
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	28	(14,583)	(18,593)
<b>Net cash flows from operating activities</b>		<b>(7,776)</b>	<b>5,791</b>
<b>Net cash flows from investing activities</b>	29	<b>(10,745)</b>	<b>(14,595)</b>
<b>Net cash flows from financing activities</b>	30	<b>11,370</b>	<b>6,120</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(7,151)</b>	<b>(2,684)</b>
Cash and cash equivalents at the beginning of the financial year		14,940	17,624
<b>Cash and cash equivalents at the end of the financial year</b>	25	<b>7,789</b>	<b>14,940</b>

## **NOTES TO THE ACCOUNTS**

### **Expenditure and Funding Analysis**

The Expenditure and Funding Analysis aims to show the real impact of the year's financial performance on the Council's balances. The Comprehensive Income and Expenditure Statement (CIES) includes many accounting adjustments such as depreciation which, by law, are not allowed to be funded by Council Tax as these are not true costs which affect Council usable balances.

The CIES shows a deficit on the provision of services of £28.708m. However, statutory accounting adjustments of £25.219m are cancelled out in the separate financial statements called the Expenditure and Funding Analysis and the Movement in Reserves Statement. This helps to identify usable Council balances without these accounting adjustments. The impact of these statutory accounting adjustments are shown in the unusable reserves column in the Movement in Reserves Statement.

The CIES and the removal of accounting adjustments, when added together, show the impact for the year on Council funds.

	<b>£'000</b>
Total Council (including HRA) usable Reserves and Balances at 1 April 2017	31,345
Deficit on the Provision of Services 2017/18 – CIES	(32,599)
Adjustments to remove impact of accounting adjustments which do not affect the Council Fund – Expenditure and Funding Analysis and Note 7	25,323
Less Total Increase/(Decrease) in Reserves	(7,276)
Total Council (including HRA) Balances at 31 March 2018	24,069

This shows that, when the accounting adjustments are cancelled out, the true impact on the Council's cost of services (including the Housing Revenue Account) is reduced to £7.276m for the year, resulting in an overall balance of usable reserves of £24.069m. This has also reduced from 2016/17 as earmarked reserves have been used to fund costs for which the original reserves were earmarked.

The Movement in Reserves Statement decrease in the year shows that the General Council Reserve reduced by £1.456m for 2017/18 resulting in a total general reserve of £6.899m. The Housing Revenue Account generated a deficit of £164k, with the total HRA balance at 31 March 2018 of £7.380m.

However, £6.118m of earmarked reserves were used during the year to fund expenditure. This includes School balances which were also reduced by £0.22m resulting in an overall reduction in usable reserves.

## Note 1a - Note to the Expenditure and Funding Analysis

### 2017/18

Adjustments from General Fund to Arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments
	£'000	£'000	£'000	£'000
Lifelong Learning	20,430	1,064	(402)	21,092
Adult Services	344	935	26	1,305
Children's Services	-	(271)	23	(248)
Housing	8	150	(3)	155
Highways, Property and Waste	4,183	490	(84)	4,589
Regulation and Economic Development	2,350	537	(47)	2,840
Transformation	2,934	276	(25)	3,185
Resources	16	270	(2)	284
Council Business	1	116	23	140
Corporate and Democratic Costs	-	(308)	-	(308)
Corporate Management	-	-	-	-
Non-distributed costs	-	260	-	260
Housing Revenue Account (HRA)	524	229	28	781
<b>Net Cost of Services</b>	<b>30,790</b>	<b>3,748</b>	<b>(463)</b>	<b>34,075</b>
Other Income and Expenditure from the Funding Analysis	(8,923)	2,789	(2,618)	(8,752)
Difference between General Fund and HRA (Surplus) or Deficit and the Comprehensive Income and Expenditure Statement (Surplus) or Deficit	21,867	6,537	(3,081)	25,323

### 2016/17

Adjustments from General Fund to Arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments
	£'000	£'000	£'000	£'000
Lifelong Learning	3,189	167	320	3,676
Adult Services	1,161	149	(613)	697
Children's Services	21	(540)	-	(519)
Housing	978	23	(1)	1,000
Highways, Property and Waste	4,070	80	25	4,175
Regulation and Economic Development	1,336	91	29	1,456
Transformation	280	41	(8)	313
Resources	16	46	13	75
Council Business	1	19	(20)	-
Corporate and Democratic Costs	9	(377)	-	(368)
Corporate Management	-	-	-	-
Non-distributed costs	-	97	-	97
Housing Revenue Account (HRA)	1,586	38	34	1,658
<b>Net Cost of Services</b>	<b>12,647</b>	<b>(166)</b>	<b>(221)</b>	<b>12,260</b>
Other Income and Expenditure from the Funding Analysis	(9,679)	3,320	603	(5,756)
Difference between General Fund and HRA (Surplus) or Deficit and the Comprehensive Income and Expenditure Statement (surplus) or Deficit	2,968	3,154	382	6,504

## NOTE 1b – SEGMENTAL INCOME

Services	2017/18 Income from Services £'000	2016/17 Income from Services £'000
Lifelong Learning	(1,458)	(1,399)
Adult Services	(4,671)	(4,411)
Children's Services	-	-
Housing	(13)	(8)
Highways, Property and Waste	(2,738)	(2,109)
Regulation and Economic Development	(2,574)	(2,404)
Transformation	-	(19)
Resources	(159)	(307)
Council Business	(331)	(422)
Corporate and Democratic Costs	(43)	(189)
Corporate Management	(9)	(11)
Non-distributed costs	-	-
Housing Revenue Account (HRA)	(119)	(82)
<b>Total Income</b>	<b>(12,115)</b>	<b>(11,361)</b>

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

The Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (the Code) requires disclosure of the expected impact of any accounting standards that have been issued but not yet adopted.

The standards which have been issued but not yet adopted by the CIPFA code and will be introduced in the CIPFA 2018/19 code are:-

- IFRS 9 Financial Instruments;
- IFRS 15 Revenue from Contracts with Customers, including amendments to IFRS 15 clarifications to IFRS Revenues from Contracts with Customers;
- Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised losses;
- Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative.

The standards which will be adopted in 2018/19 are unlikely to have a material impact on the Statement of Accounts 2017/18.

In addition, the CIPFA Code for 2019/20 will adopt IFRS16 - Leases which will have the impact of bringing operating leases the Council leases in onto the Council Balance Sheet. For example, the value of printers/photocopiers, if material, will be added to the Balance Sheet as though they belong to the Council. This will apply to the Statement of Accounts for 2019/20.

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

The Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 introduced two new requirements for Councils to comply with updated reporting standards that have been adopted. The relevant changes relate to the following standards, all of which will, where they apply, be amended for accounts produced for financial periods starting after 1 April 2017:-

- Amendment to the reporting of pension fund scheme transaction costs;
- Amendment to the reporting of investment concentration.

These are unlikely to have a material impact on the information provided in the financial statements.

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

In applying the accounting policies set out in Note 51, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:-

- The Accounts have been prepared on a going concern basis, which assumes that the functions and services provided by the Council will continue in operational existence for the foreseeable future. The Council is a local government body created by the Local Government (Wales) Act 1994. The Council operates within a difficult financial climate similar to all local authorities in Wales. However, there are no indications from either the financial performance of the Authority or Welsh Government plans, which undermine the view that the Council will continue as a going-concern into the future.
- The Council has determined that a number of assets which are used for social or economic development purposes are not solely held for income generation or capital appreciation purposes and, therefore, do not meet the definition of investment properties. As a consequence, these assets are shown as Non-Current Assets - Property, Plant and Equipment within the Balance Sheet. In accordance with current guidance regarding the treatment of certain types of schools, only the value of the land for Voluntary-Controlled schools is included in the Balance Sheet where the voluntary body has significant control over the building. As the Council does not own these types of schools, and does not have access to them for valuation purposes, the value of the buildings is excluded from the Balance Sheet. In addition to this, as regards Voluntary-Aided and Foundation Schools, neither the value of land nor the buildings, are included on the Balance Sheet.
- Capital and revenue grants are reviewed regularly to assess whether the terms and conditions attached to the respective grants have been met. If the terms and conditions have been met, they will be recognised within the Comprehensive Income and Expenditure Statement in the year. If not, they will be carried within the Balance Sheet within creditors until such time as either the terms and conditions associated with the grant are met or the grant is repaid to the grant provider should the terms and conditions not be met. This treatment can result in material balances being carried in the Balance Sheet as deferred income.
- The group requirements have been reviewed using the criteria outlined in the relevant accounting standards and Code of Practice; the Council has not identified any companies or organisations that would require it to complete group accounts.
- There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

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

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

The following items in the Council's Balance Sheet at 31 March 2018 may be considered to be most vulnerable for estimating error in the forthcoming financial year:-

**Non-Current Assets - Property, Plant and Equipment** – Assets are depreciated over useful lives in accordance with standard accounting practices. Any difference between the depreciation applied and actual deterioration to assets will naturally reflect in future spending patterns. Information relating to Property, Plant and Equipment is contained in Note 15 on page 39.

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

Applying this in practice requires an assessment against the below criteria, to establish if:-

- The economic useful life is significantly different from the other components of the asset i.e. 15 years or more;
- The value of the asset is £2m or greater and the component is over 25% of the total value of the asset;
- The economic useful life is significantly different but the value represents less than 25% of the total value of the asset, the component will be separately identified if, in the valuer's judgement, it is deemed to be material e.g. where the value of a component is, say, £3m (10%) of the depreciating asset that has a total value of £30m.

If the depreciating asset is part of a wider group held for the same purpose, for example, leisure centres, this recommended policy on componentisation will be applied to the total of this wider group and not to each individual depreciating asset within the group.

**Replacement of Assets** – where an asset is replaced which was part of a much larger asset but is not significant enough to be componentised. The cost of the new replacement part/asset will be used as a proxy value when the old part/asset is de-recognised.

**Council Housing** - The Council's Housing stock is valued under a standard methodology, part of which requires the application of an adjustment factor to allow for the difference between rents and yields on private sector and social housing. There is currently no published adjustment factor for Wales and, therefore, the Council has selected the most comparable of the English regions and applied the published factor for that, which was 41%. Should a specific factor be published, either for Wales as a whole or on a regional basis, then this will be applied.

**Provisions** – The Council has made provision for a series of uncertainties which could result in significant costs in later years. These principally relate to after-care costs for the Penhesgyn landfill site and potential liabilities arising from insurance claims. Full details are contained in Note 27.

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

**Doubtful Debts Impairment/Allowance** – As at 31 March 2018, the Council had a short-term net debtor balance of £24.031m. A review of arrears balance suggested that impairment for doubtful debts of £5.565m was appropriate. Any differences between the impairment level applied and the actual arrears position will naturally reflect in future spending patterns. Doubtful Debts impairments are contained within the figures for Short-Term Debtors contained in Note 24 on page 47.

**Fair Value Measurement** - Fair value measurement will be in accordance with IFRS13 Fair Value Measurement as reported in the CIPFA Code of Practice 2017/18. In most cases, fair value is a market-based measurement. IFRS13 provides more direction and clarity in relation to valuation of assets and liabilities. However, where there is no observable market to value against, this will involve professional judgement. When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets). Where possible, the inputs to these valuation techniques are based on observable data but, where this is not possible, judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Authority's assets and liabilities. The depreciated replacement cost (DRC) model is used to measure the fair value of some of the Authority's investment properties.

Where Level 1 inputs are not available, the Authority employs relevant experts to identify the most appropriate valuation techniques to determine fair value (for example for investment properties, the Authority's Senior Valuation Officer).

The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels (for investment properties) and discount rates – adjusted for regional factors (for both investment properties and some financial assets). Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties and financial assets.

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

The following items were reclassified during 2017/18:-

- 1) Ysgol Parc Y Bont, valued at £0.932m was removed from the Council's Balance Sheet in 2015/16 as the school was Voluntary Controlled, in response to CIPFA Guidance on accounting for Voluntary Controlled Schools. However, the school has since had significant investment from the Council and Welsh Government as part of the 21st Century Schools programme. It is now clear that while the school is Voluntary Controlled, the Council has significant control over the asset. Therefore, the school has been added back to the Balance Sheet at a value of £1.290m. This includes an investment of £0.550m for an extension and refurbishment work as part of the 21<sup>st</sup> Century School programme. The prior year has not been restated as the fact that the school should be returned as a Council asset emerged during 2017/18.
- 2) The treatment of accrued interest i.e. interest payable on borrowing from the PWLB relating to 2017/18 but which is due to be paid in 2018/19, is being treated differently from last year in the 2017/18 accounts in order to more closely reflect the CIPFA Code of Practice. An amount of £2.119m of accrued interest in the previous year was added as a short-term creditor in the balance sheet. In 2017/18 accrued interest of £2.297m has been added to short-term liability instead of creditors in accordance with the code. The figures for 2016/17 have been amended by increasing short-term liability by £2.119m and reducing short-term creditors by the same amount along with the associated notes.

- 3) During the audit period it became evident that there was a discrepancy in the level of debt relating to housing benefit overpayments between the sum recorded in the Housing Benefits System and the sum recorded in the main accounting system and the discrepancy dates back to 2015/16. In total, a correction of £790k was required by increasing the value of short-term debtors and crediting the Comprehensive Income and Expenditure account. As the provision for bad debts was calculated using the balance of debt recorded in the Housing Benefit system i.e. the correct balance, it was not necessary to recalculate this provision. Despite the fact that only £260k of the income relates to 2017/18, the full amount has been recognised in 2017/18 as the value of the error in previous years does not meet the S151 Officer's assessment of materiality. The financial statements relating to the previous year have not therefore, been restated. The impact of this is an improvement in the financial position of the Council of £790k to reflect that the additional income that has not previously been accounted for.

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

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

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

The Statement of Accounts was authorised for issue by the Council's Section 151 Officer on 25 September 2018. Events taking place after this date are not reflected in the financial statements or notes.

Where events taking place before this date provided information about conditions existing at 31 March 2018, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

The following events between 31 March 2018 and 25 September 2018 have occurred which affect the Council and are important to highlight to readers of the Statement of Accounts:

- 1) The Council has charged VAT on Leisure Service income and paid this over to HMRC for a number of years in accordance with HMRC guidance. However, following legal action taken by a Third Party against HMRC, it was held that VAT on Leisure Services should be exempt. The Council has submitted claims dating back to 2012 to recover this VAT. In August 2018, HMRC has written to the Council to confirm that this VAT will be refunded to the Council. The Council has received a refund of £794k which will be accounted for in 2018.
- 2) The Council has an earmarked reserve for potential claims in relation to repayment of aftercare charges under S117 of the Mental Health Act 1983. In 2000, a key House of Lords Judgement (Richmond Borough Council, Manchester City Council, Harrow Borough Council and Redcar Borough Council v W/S/C/A) held that councils could not charge for S117 aftercare services to Mental Health service users if they met the criteria outlined in S117. There have been claims against the Council a number of years ago but none more recently. However, a new claim has been submitted against the Council in relation to repayment of charges previously charged by the Council for S117 aftercare costs. The earmarked reserve provides funding for this claim if it is successful by the claimant. However, as there is still a risk of future claims this is also included as a contingent liability.



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

2017/18	Usable Reserves				Movement in Unusable Reserves £'000
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	
<b>Adjustments primarily involving the Capital Adjustment Account:</b>					
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>					
Charges for depreciation, impairment and amortisation of non-current assets	9,298	3,082	-	-	(12,380)
Revaluation losses on Property, Plant and Equipment	18,403	-	-	-	(18,403)
Movements in the market value of Investment Properties loss/(gain)	152	-	-	-	(152)
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(9,110)	(2,691)	-	-	11,801
Revenue expenditure funded from capital under statute	2,566	-	-	-	(2,566)
Derecognition - replaced parts	1,766	7,582	-	-	(9,348)
Carrying amount of non-current assets sold	4,362	-	-	-	(4,362)
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>					
Minimum Revenue Provision for Capital Funding	(3,638)	(850)	-	-	4,488
Capital expenditure charged against the Council Fund and HRA balances	-	(6,600)	-	-	6,600
<b>Adjustments involving the Capital Receipts Reserve:</b>					
Proceeds from Sale of Non-Current Assets	(2,782)	-	2,782	-	-
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	(2,455)	-	2,455
Use of capital reserve to finance capital expenditure	-	-	-	-	-
Other Capital Receipts	-	-	-	-	-
<b>Adjustments involving the Financial Instruments Adjustment Account:</b>					
Amounts by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	45	20	-	-	(65)
<b>Adjustments involving the Pensions Reserve:</b>					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 41)	17,917	230	-	-	(18,147)
Employer's pensions contributions and direct payments to pensioners payable in the year	(11,610)	-	-	-	11,610
<b>Adjustment involving Unequal Back-Pay Adjustment Account</b>					
Amounts charged to CIES that are different from the cost of settlements chargeable in year in accordance with statutory requirements	(2,663)	-	-	-	2,663
<b>Adjustment involving the Accumulating Compensated Absences Adjustment Account</b>					
Adjustments in relation to short-term compensated absences	(491)	8	-	-	483
<b>Total Adjustments</b>	<b>24,215</b>	<b>781</b>	<b>327</b>	<b>-</b>	<b>(25,323)</b>

2016/17	Usable Reserves				Movement in Unusable Reserves £'000
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	
<b>Adjustments primarily involving the Capital Adjustment Account:</b>					
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>					
Charges for depreciation, impairment and amortisation of non-current assets	8,557	3,849	-	-	(12,406)
Revaluation losses on Property, Plant and Equipment	819	-	-	-	(819)
Movements in the market value of Investment Properties loss/(gain)	(298)	-	-	-	298
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(10,629)	(2,727)	-	-	13,356
Revenue expenditure funded from capital under statute	1,685	-	-	-	(1,685)
Derecognition - replaced parts	2,605	6,884	-	-	(9,489)
Carrying amount of non-current assets sold	6,935	326	-	-	(7,261)
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>					
Minimum Revenue Provision for Capital Funding	(3,632)	(867)	-	-	4,499
Capital expenditure charged against the Council Fund and HRA balances	(244)	(5,058)	-	-	5,302
<b>Adjustments involving the Capital Receipts Reserve:</b>					
Proceeds from Sale of Non-Current Assets	(4,416)	(821)	5,237	-	-
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	(5,237)	-	5,237
Use of capital reserve to finance capital expenditure	-	-	-	-	-
Other Capital Receipts	-	-	-	-	-
<b>Adjustments involving the Financial Instruments Adjustment Account:</b>					
Amounts by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	91	44	-	-	(135)
<b>Adjustments involving the Pensions Reserve:</b>					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 41)	12,158	38	-	-	(12,196)
Employer's pensions contributions and direct payments to pensioners payable in the year	(9,042)	-	-	-	9,042
<b>Adjustment involving Unequal Back-Pay Adjustment Account</b>					
Amounts charged to CIES that are different from the cost of settlements chargeable in year in accordance with statutory requirements	512	-	-	-	(512)
<b>Adjustment involving the Accumulating Compensated Absences Adjustment Account</b>					
Adjustments in relation to short-term compensated absences	(255)	(10)	-	-	265
<b>Total Adjustments</b>	<b>4,846</b>	<b>1,658</b>	<b>-</b>	<b>-</b>	<b>(6,504)</b>

## NOTE 8 – EARMARKED RESERVES

	Balance as at 01/04/2016 £'000	Transfers In 2016/17 £'000	Transfers Out 2016/17 £'000	Balance as at 31/03/2017 £'000	Transfers In 2017/18 £'000	Transfers Out 2017/18 £'000	Balance as at 31/03/2018 £'000
Capital - Revenue contributions unapplied	899	-	-	899	238	-	1,137
Penhesgyn Waste Landfill Site Reserve	2,000	-	-	2,000	-	(2,000)	-
Restricted Reserves	7,883	2,719	(3,943)	6,659	1,408	(4,442)	3,625
Invest-to-save	-	1,000	(29)	971	-	(318)	653
Job Evaluation	2,770	-	(2,770)	-	-	-	-
Equal Pay	865	513	(318)	1,060	-	(246)	814
Recycling	324	73	-	397	112	(387)	122
Insurance Fund	1,250	356	(235)	1,371	-	(121)	1,250
<b>Total</b>	<b>15,991</b>	<b>4,661</b>	<b>(7,295)</b>	<b>13,357</b>	<b>1,758</b>	<b>(7,514)</b>	<b>7,601</b>

### Purpose of Earmarked Revenue Reserves

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

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

**Invest-to-save** – this reserve has been created to fund invest-to-save projects where the reserves will be invested in projects which will lead to efficiency savings in the future.

**Equal Pay** – this reserve is to fund costs arising from equal pay claims such as legal fees and claims.

**Recycling** - resources ring-fenced solely for the purpose of waste recycling projects.

**Insurance Fund** - The Council runs an internal insurance account to cover the cost of uninsured losses and liabilities. Services are charged an “additional premium” in order to fund this account. Losses and liabilities that are known losses at year end are provided for. Any losses or liabilities that arise from incidents having occurred during the year but not presented until a later date are covered by the insurance reserve. This is made up of the surplus on the internal insurance account and interest balances.

## NOTE 9 – SCHOOLS BALANCES

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

	Balance 1 April 2016 £'000	Addition / (Reduction) for 2016/17 £'000	Balance 31 March 2017 £'000	Addition / (Reduction) for 2017/18 £'000	Balance 31 March 2018 £'000
Community and Voluntary Primary Schools	1,716	(294)	1,422	(181)	1,241
Community Secondary Schools	304	(76)	228	182	410
Community Special School	166	(10)	156	(77)	79
Foundation Primary School	276	7	283	(144)	139
<b>Total</b>	<b>2,462</b>	<b>(373)</b>	<b>2,089</b>	<b>(220)</b>	<b>1,869</b>

At 31 March 2018, all schools had balances in surplus apart from 3 primary schools (4 as at 31 March 2017) and 1 secondary school (1 as at 31 March 2017), which had a combined deficit of £0.24m (£0.26m as at 31 March 2017). Copies of the Section 52 Statements, which each Council is required to prepare after the end of each financial year under Section 52(2) of the School Standards and Framework Act 1998, can be obtained from the Accountancy Section, Resources Function, County Offices, Llangefni, Anglesey, LL77 7TW.

## NOTE 10 – CAPITAL RECEIPTS RESERVE

These are cash receipts from the sale of Council assets. These are used to fund capital expenditure in the year. A balance of £320k will be carried forward to 2018/19 to help fund next year's capital programme.

	2017/18 £'000	2016/17 £'000
<b>Balance 1 April</b>	-	-
Capital Receipts in year (net of reduction for administration costs)	2,782	5,237
	<b>2,782</b>	<b>5,237</b>
<b>Less:</b>		
Receipts set aside to repay debt	-	-
Capital Receipts used for financing	(2,455)	(5,237)
Other	(7)	-
<b>Balance 31 March</b>	<b>320</b>	-

## NOTE 11 – UNUSABLE RESERVES

	31/03/2018 £'000	31/03/2017 £'000
a) Capital Adjustment Account	134,369	151,541
b) Financial Instruments Adjustment Account	(450)	(385)
c) Revaluation Reserve	128,199	91,772
ch) Pensions Reserve	(102,188)	(105,509)
d) Unequal Pay Reserve	-	(2,663)
dd) Accumulating Compensated Absences Adjustment Account	(799)	(1,282)
<b>Total Unusable Reserves</b>	<b>159,131</b>	<b>133,474</b>

## a) Capital Adjustment Account

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

The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 7 on page 30 provide details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

Capital Adjustment Account	2017/18		2016/17	
	£'000	£'000	£'000	£'000
<b>Balance at 1 April</b>		151,541		142,604
<b>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</b>				
Charges for depreciation and amortisation of non-current assets	(12,380)		(12,406)	
De-recognised assets	(9,348)		(9,489)	
Revaluation losses on Property, Plant and Equipment	(18,403)		(819)	
Revenue expenditure funded from capital under statute	(2,566)		(1,685)	
Amounts of non-current assets written off on disposal or sale (including impairment) as part of the gain/(loss) on disposal to the Comprehensive Income and Expenditure Statement	(4,362)		(7,261)	
		<b>(47,059)</b>		<b>(31,660)</b>
Adjusting amounts written out of the Revaluation Reserve		4,695		11,904
<b>Net written out amount of the cost of non-current assets consumed in the year</b>		<b>(42,364)</b>		<b>(19,756)</b>
<b>Capital financing applied in the year:</b>				
Use of the Capital Receipts Reserve to finance new capital expenditure	2,455		5,237	
Use of capital reserve	-		244	
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	11,801		13,356	
Statutory provision for the financing of capital investment charged against the Council Fund and HRA balances	4,488		4,499	
Capital expenditure charged against the Council Fund and HRA balances	6,600		5,059	
		<b>25,344</b>		<b>28,395</b>
Movements in the market value of Investment Properties charged to the Comprehensive Income and Expenditure Statement		(152)		298
<b>Balance at 31 March</b>		<b>134,369</b>		<b>151,541</b>

## b) Financial Instruments Adjustment Account

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

Financial Instruments Adjustment Account	2017/18 £'000	2016/17 £'000
<b>Balance at 1 April</b>	<b>(385)</b>	<b>(250)</b>
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(65)	(135)
<b>Balance at 31 March</b>	<b>(450)</b>	<b>(385)</b>

### c) Revaluation Reserve

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

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

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

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

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

Revaluation Reserve	2017/18 £'000	2016/17 £'000
<b>Balance at 1 April</b>	<b>91,772</b>	<b>96,046</b>
Revaluation of assets and impairment losses not charged to the Deficit on the Provision of Services	41,122	7,630
Difference between fair value depreciation and historical cost depreciation	(1,933)	(1,629)
Revaluation balances on assets scrapped or disposed of	(2,762)	(10,275)
<b>Balance at 31 March</b>	<b>128,199</b>	<b>91,772</b>

### ch) Pensions Reserve

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

Pensions Reserve	2017/18 £'000	2016/17 £'000
<b>Balance at 1 April</b>	<b>(105,509)</b>	<b>(95,022)</b>
Re-measurement of net defined liability	9,858	(7,334)
Reversal of items relating to retirement benefits debited or credited to the Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(18,147)	(12,195)
Employers' pension contribution and direct payment to pensioners payable in the year	11,610	9,042
<b>Balance at 31 March</b>	<b>(102,188)</b>	<b>(105,509)</b>

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

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

**d) Unequal Pay Reserve**

The Back-Pay Account compensates for the differences between the rate at which the Council provides for the potential costs of back-pay settlements in relation to Equal Pay cases and the ability under statutory provisions to defer the impact on the General Fund Balance until such time as cash might be paid out to claimants. The Unequal Pay Unusable Reserve, similar to the Equal Pay Provision in note 27, has been reduced to nil as Equal Pay costs paid in 2017/18 have been funded from capital following a Capitalisation Directive from Welsh Government. Some smaller residual costs will be funded from the Equal Pay earmarked reserve. Therefore, the Unequal Pay Unusable Reserve and the Equal Pay Provision are no longer required. However, The Council has retained the Equal Pay earmarked reserve of £814k as highlighted above in note 8. This is to fund any outstanding equal pay claims and related legal costs, which might arise.

<b>Unequal Pay Reserve</b>	<b>2017/18 £'000</b>	<b>2016/17 £'000</b>
<b>Balance at 1 April</b>	<b>(2,663)</b>	<b>(2,151)</b>
(Increase)/Decrease in provision for back-pay in relation to Equal Pay cases	2,663	(512)
Cash settlements paid in the year	-	-
<b>Balance at 31 March</b>	<b>-</b>	<b>(2,663)</b>

#### dd) Accumulating Compensated Absences Adjustment Account

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

Accumulating Compensated Absences Adjustment Account	2017/18 £'000	2016/17 £'000
Settlement or cancellation of accrual made at the end of the preceding year	(1,282)	(1,547)
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	483	265
<b>Amounts accrued at the end of the current year</b>	<b>(799)</b>	<b>(1,282)</b>

#### NOTE 12 – OTHER OPERATING EXPENDITURE

	2017/18 £'000	2016/17 £'000
Precept paid to North Wales Police Authority	7,674	7,264
Precept paid to Community Councils	1,230	1,179
(Surplus)/ Losses on the disposal of non-current assets (Including De-recognition)	10,909	11,404
Levies	3,335	3,195
<b>Total</b>	<b>23,148</b>	<b>23,042</b>

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

##### 13a

	2017/18 £'000	2016/17 £'000
Interest payable and similar charges	5,863	6,003
Net interest on the defined liability	2,789	3,321
Interest receivable and similar income	(31)	(54)
Income and Expenditure in relation to investment properties and changes in their fair value	7	(409)
<b>Total</b>	<b>8,628</b>	<b>8,861</b>

##### 13b

	2017/18 £'000	2016/17 £'000
<b>Income/Expenditure from Investment Properties:</b>		
Income including rental income	(331)	(359)
Expenditure	164	140
<b>Net Expenditure/Income from investment properties</b>	<b>(167)</b>	<b>(219)</b>
<b>Deficit on sale of Investment Properties:</b>		
Proceeds from sale	(105)	(145)
Carrying amount of investment properties sold	128	253
<b>Deficit on sale of Investment Properties</b>	<b>23</b>	<b>108</b>
<b>Changes in Fair Value of Investment Properties</b>	<b>152</b>	<b>(298)</b>
<b>Total</b>	<b>8</b>	<b>(409)</b>



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

	<b>2017/18</b>	<b>2016/17</b>
	<b>£'000</b>	<b>£'000</b>
Council Tax Income	42,295	39,968
Non-Domestic Rates Redistribution	23,002	21,309
Revenue Support Grant	69,650	70,619
Other Government Grants	-	-
Capital Grants Applied To Fund Capital Expenditure	11,801	13,356
<b>Total</b>	<b>146,748</b>	<b>145,252</b>

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

2017/18	Property, Plant and Equipment							
	Council Dwellings	Land and Buildings	Infrastructure Assets	Vehicles, Plant and Equipment	Community Assets	PPE Under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>								
<b>At 1 April 2017</b>	<b>109,028</b>	<b>186,600</b>	<b>85,528</b>	<b>11,768</b>	<b>9</b>	<b>13,895</b>	<b>2,185</b>	<b>409,013</b>
Adjustment opening balance	-	-	-	-	-	-	-	-
Additions (Note 20)	9,354	3,185	2,000	1,059	-	9,736	-	25,334
Revaluation inc./ (decr.) to Rev. Reserve	35,650	(3,486)	-	-	-	-	136	32,300
Revaluation inc./ (decr.) to (Surplus) / Deficit on the Prov. of Services	-	(19,440)	-	-	-	-	(25)	(19,465)
De-recognition - Disposals	-	(2,351)	-	-	-	-	(9)	(2,360)
De-recognition - other	-	-	-	-	-	-	-	-
De-recognition - replaced parts	(7,582)	(1,766)	-	-	-	-	-	(9,348)
Reclassification	-	15,088	3,089	-	-	(19,129)	952	-
Reclassifications & Transfers from Assets Held for Sale	-	-	-	-	-	-	254	254
Reclassification to Assets Held for Sale	-	(917)	-	-	-	-	(371)	(1,288)
Reclassified from Investment Property	-	21	-	-	-	-	-	21
Reclassified to Investment Property	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>146,450</b>	<b>176,934</b>	<b>90,617</b>	<b>12,827</b>	<b>9</b>	<b>4,502</b>	<b>3,122</b>	<b>434,461</b>
<b>Depreciation and Impairment</b>								
<b>At 1 April 2017</b>	<b>3,577</b>	<b>10,595</b>	<b>23,482</b>	<b>7,556</b>	<b>-</b>	<b>-</b>	<b>67</b>	<b>45,277</b>
Adjustment Cost and Depreciation	-	-	-	-	-	-	-	-
Depreciation Charge	2,812	5,213	3,211	880	-	-	14	12,130
Depreciation written out to Revaluation Reserve	(2,812)	(5,599)	-	-	-	-	(10)	(8,421)
Depreciation written out to Surplus or Deficit on the Provision of Services	-	(1,148)	-	-	-	-	(3)	(1,151)
De-recognition - Disposals	-	(260)	-	-	-	-	-	(260)
Reclassification	-	-	-	-	-	-	-	-
Reclassification to Assets Held for Sale	-	-	-	-	-	-	-	-
Reclassification to Investment Property	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>3,577</b>	<b>8,801</b>	<b>26,693</b>	<b>8,436</b>	<b>-</b>	<b>-</b>	<b>68</b>	<b>47,575</b>
<b>Net Book Value</b>								
<b>Balance as at 31 March 2018</b>	<b>142,873</b>	<b>168,133</b>	<b>63,924</b>	<b>4,391</b>	<b>9</b>	<b>4,502</b>	<b>3,054</b>	<b>386,886</b>
<b>Balance as at 31 March 2017</b>	<b>105,451</b>	<b>176,005</b>	<b>62,046</b>	<b>4,212</b>	<b>9</b>	<b>13,895</b>	<b>2,118</b>	<b>363,736</b>

2016/17	Property, Plant and Equipment							
	Council Dwellings	Land and Buildings	Infrastructure Assets	Vehicles, Plant and Equipment	Community Assets	PPE Under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>								
<b>At 1 April 2016</b>	<b>107,741</b>	<b>188,334</b>	<b>76,353</b>	<b>10,659</b>	<b>9</b>	<b>3,759</b>	<b>1,187</b>	<b>388,042</b>
Adjustment Cost and Depreciation	-	-	(549)	-	-	549	-	-
Additions (Note 20)	8,511	3,971	8,287	1,109	-	11,024	-	32,902
Revaluation inc./(decr.) to Rev. Reserve	-	1,122	-	-	-	-	248	1,370
Revaluation inc./(decr.) to Surplus / Deficit on the Prov. of Services	-	(1,294)	-	-	-	-	(27)	(1,321)
De-recognition - Disposals	(340)	(1,219)	-	-	-	-	(115)	(1,674)
De-recognition - Other	-	(1,595)	-	-	-	-	-	(1,595)
De-recognition - replaced parts	(6,884)	(2,605)	-	-	-	-	-	(9,489)
Reclassifications	-	(31)	1,437	-	-	(1,437)	31	-
Reclassifications & Transfers from Assets Held for Sale	-	-	-	-	-	-	751	751
Reclassified to Assets Held for Sale	-	(83)	-	-	-	-	(100)	(183)
Reclassified to Surplus Assets	-	-	-	-	-	-	210	210
Reclassified to Investment Property	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>109,028</b>	<b>186,600</b>	<b>85,528</b>	<b>11,768</b>	<b>9</b>	<b>13,895</b>	<b>2,185</b>	<b>409,013</b>
<b>Depreciation and Impairment</b>								
<b>At 1 April 2016</b>	-	<b>10,339</b>	<b>20,637</b>	<b>6,722</b>	-	-	<b>60</b>	<b>37,758</b>
Adjustment Cost and Depreciation	-	-	-	-	-	-	-	-
Depreciation Charge	3,591	4,964	2,845	834	-	-	12	12,246
Depreciation written out to Revaluation Reserve	-	(3,700)	-	-	-	-	(7)	(3,707)
Depreciation written out to Surplus or Deficit on the Provision of Services	-	(634)	-	-	-	-	(3)	(637)
De-recognition - Disposals	(14)	(358)	-	-	-	-	-	(372)
Reclassification to Assets Held for Sale	-	(5)	-	-	-	-	5	-
Reclassification to Surplus Assets	-	(11)	-	-	-	-	-	(11)
Reclassification to Investment Property	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>3,577</b>	<b>10,595</b>	<b>23,482</b>	<b>7,556</b>	<b>-</b>	<b>-</b>	<b>67</b>	<b>45,277</b>
<b>Net Book Value</b>								
<b>Balance as at 31 March 2017</b>	<b>105,451</b>	<b>176,005</b>	<b>62,046</b>	<b>4,212</b>	<b>9</b>	<b>13,895</b>	<b>2,118</b>	<b>363,736</b>
<b>Balance as at 31 March 2016</b>	<b>107,741</b>	<b>177,995</b>	<b>55,716</b>	<b>3,937</b>	<b>9</b>	<b>3,759</b>	<b>1,127</b>	<b>350,284</b>

## Revaluations

The Council has £390.531m recognised as Property, Plant and Equipment and Heritage Assets on its Balance Sheet as at the valuation date of 31 March 2018. The Council has now adopted a five-year rolling programme for the valuation of its land and property. However, PPE assets with a fair value of £500k or more are revalued each year. The programme is constructed in such a way as to ensure that entire classes of assets within its land and property portfolio greater than £500k are revalued in a single year. The valuations are undertaken by the Council's in-house valuation team who are members of the Royal Institute of Chartered Surveyors (RICS). The valuations have been completed in accordance with IFRS13. Non-property assets have not been revalued as the Council has judged that the carrying value of these assets is approximate to fair value, given their relatively short useful economic lives and the relative value of these assets. Additional information on the Council's policy on the measurement and valuation of non-current assets is included in sections 7 to 10 of note 51 Accounting Policies.

### NOTE 16 - SIGNIFICANT CAPITAL COMMITMENTS

At 31 March 2018, the Council had entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment giving rise to significant capital commitments of £10.637m in 2018/19 and future years as shown in the table below. Similar commitments to 31 March 2017 were £4.862m. The significant increase is the result of progress being made in the continued rollout of the Authority's 21<sup>st</sup> Century Schools programme and progress with the Llangefni Link Road and the refurbishment of Market Hall, Holyhead. The 21<sup>st</sup> Century Schools programme and the Link Road will receive significant funding from Welsh Government.

	Commitment into 2018/19 & future years as at 31 March 2018 £'000	Commitment into 2017/18 & future years as at 31 March 2017 £'000
21st Century Schools - Dwynwen	4,609	790
Llangefni Link Road - Section 3	748	1,388
Market Hall Holyhead - Phase II	2,045	-
Llangefni Strategic Infrastructure	2,485	247
Planned Maintenance Contracts - HRA	750	2,437
<b>Total</b>	<b>10,637</b>	<b>4,862</b>

### NOTE 17 – HERITAGE ASSETS 2017/18

	Art Collection and Civic Regalia £'000	Heritage Land & Buildings £'000	Total Heritage Assets £'000
<b>Cost or Valuation</b>			
<b>At 1 April 2017</b>	<b>1,834</b>	<b>1,960</b>	<b>3,794</b>
Additions	-	-	-
Disposal	-	-	-
Revaluation	276	14	290
Accumulated Depreciation written out	-	(64)	(64)
<b>At 31 March 2018</b>	<b>2,110</b>	<b>1,910</b>	<b>4,020</b>
<b>Accumulated Depreciation and Impairment</b>			
<b>At 1 April 2017</b>	-	<b>340</b>	<b>340</b>
Depreciation Charge	-	99	99
Accumulated Depreciation written out	-	(64)	(64)
<b>At 31 March 2018</b>	-	<b>375</b>	<b>375</b>
<b>Net Book Value</b>			
<b>At 31 March 2018</b>	<b>2,110</b>	<b>1,535</b>	<b>3,645</b>
<b>At 31 March 2017</b>	<b>1,834</b>	<b>1,620</b>	<b>3,454</b>

	Art Collection and Civic Regalia £'000	Heritage Land & Buildings £'000	Total Heritage Assets £'000
<b>Cost or Valuation</b>			
<b>At 1 April 2016</b>	<b>1,834</b>	<b>1,644</b>	<b>3,478</b>
Additions	-	-	-
Disposal	-	-	-
Revaluation	-	316	<b>316</b>
Reclassification from Investment Property	-	-	-
<b>At 31 March 2017</b>	<b>1,834</b>	<b>1,960</b>	<b>3,794</b>
<b>Accumulated Depreciation and Impairment</b>			
<b>At 1 April 2016</b>	-	<b>284</b>	<b>284</b>
Depreciation Charge	-	56	<b>56</b>
<b>At 31 March 2017</b>	-	<b>340</b>	<b>340</b>
<b>Net Book Value</b>			
<b>At 31 March 2017</b>	<b>1,834</b>	<b>1,620</b>	<b>3,454</b>
<b>At 31 March 2016</b>	<b>1,834</b>	<b>1,360</b>	<b>3,194</b>

### Revaluation of Heritage Assets

A number of Land & Buildings assets have been identified as meeting the definition of Heritage Assets. At 31 March 2018, there were four such assets (unchanged from 31 March 2017):-

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

The revaluation of these assets follows the Council's standard revaluation procedures for land and property. The Heritage Assets were last revalued in 2017/18.

A valuation for the Art Collections was obtained during 2017/18 and the resulting value has been reflected in the 2017/18 Accounts. The valuation is based on a representative sample of the collections. The valuation was carried out by Bonhams of London, a firm of international Art Auctioneers and Valuers. The value of the Art Collections has increased by £0.276m to £2.047m.

## NOTE 18 – INVESTMENT PROPERTIES

### a) Investment Properties

	2017/18 £'000	2016/17 £'000
<b>Balance at start of the year</b>	6,092	5,983
Additions:		
- Subsequent expenditure	-	-
Disposals	(128)	(254)
Net gains/(losses) from fair value adjustments	(152)	298
Transfers:		
- (to)/from Asset held for Sale	-	275
- (to)/from Property, Plant and Equipment	(21)	(210)
<b>Balance at end of the year</b>	<b>5,791</b>	<b>6,092</b>

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

### b) Fair Value Measurement of Investment Properties

#### 2017/18 Fair Value Hierarchy

Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1) £'000	Other significant observable inputs (level 2) £'000	Significant unobservable inputs (level 3) £'000	Fair Value as at 31 March 2018 £'000
Retail Properties	-	136	-	136
Office units	-	832	-	832
Commercial units	-	4,823	-	4,823
<b>Total</b>	<b>-</b>	<b>5,791</b>	<b>-</b>	<b>5,791</b>

#### 2016/17 Fair Value Hierarchy

Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1) £'000	Other significant observable inputs (level 2) £'000	Significant unobservable inputs (level 3) £'000	Fair Value as at 31 March 2017 £'000
Retail Properties	-	552	-	552
Office units	-	182	-	182
Commercial units	-	5,358	-	5,358
<b>Total</b>	<b>-</b>	<b>6,092</b>	<b>-</b>	<b>6,092</b>

## c) Valuation approaches used in the valuation of Investment Properties

### Retail

The fair value for the retail properties has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local Authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs is significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

### Investment Properties

The office and commercial units located in the Local Authority area are measured using the income approach, by means of the depreciated replacement cost method, where the agreed cash flows from the properties are discounted (using a market-derived discount rate) to establish the present value of the net income stream. Yields have been derived from comparable observable valuations/sales. The Authority's investment properties are, therefore, categorised as Level 2 in the fair value hierarchy as the measurement technique uses observable inputs to determine the fair value measurements. In estimating the fair value of the Authority's investment properties, the highest and best use of the properties is their current use.

The fair value of the Authority's investment property is measured annually at each reporting period. All valuations are carried out internally in accordance with the methodologies and base for estimations set out in the professional standards of the Royal Institute of Chartered Surveyors. The Authority's valuations experts work closely with finance officers, reporting directly to the Section 151 Officer on a regular basis regarding all valuation matters.

## NOTE 19 – INTANGIBLE ASSETS

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

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £147k charged to revenue in 2017/18 was charged to the IT Administration cost centre Transformation line of the Net Expenditure of Services.

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

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

	2017/18 £'000	2016/17 £'000
<b>Balance at start of year:</b>		
Gross carrying amounts	1,538	1,247
Accumulated amortisation	(932)	(830)
<b>Net carrying amount at start of year</b>	<b>606</b>	<b>417</b>
Additions	297	291
Amortisation for the financial year	(147)	(102)
<b>Net carrying amount at end of year</b>	<b>756</b>	<b>606</b>
<b>Comprising:</b>		
Gross carrying amounts	1,835	1,538
Accumulated amortisation	(1,079)	(932)
<b>Net carrying amount at end of year</b>	<b>756</b>	<b>606</b>

## NOTE 20 - CAPITAL EXPENDITURE AND FINANCING

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

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

	2017/18 £'000	2016/17 £'000
<b>Opening Capital Financing Requirement</b>	<b>134,014</b>	<b>127,656</b>
<b>Capital Invested in Year</b>		
Property, Plant and Equipment	25,334	32,902
Intangible Assets	297	291
Heritage Assets	-	-
Revenue Expenditure Funded from Capital Under Statute (REFCUS)	3,724	3,447
<b>Total</b>	<b>29,355</b>	<b>36,640</b>
<b>Source of Finance</b>		
Capital receipts	(2,457)	(5,237)
Reserve	-	(8)
Government Grants and Contributions	(11,801)	(13,356)
Revenue Provisions	(6,600)	(5,058)
Loan	-	(148)
Insurance	-	(236)
REFCUS Grants	(1,157)	(1,784)
Minimum Revenue Provision and Set Aside	(4,488)	(4,455)
<b>Total</b>	<b>(26,503)</b>	<b>(30,282)</b>
<b>Net Increase/(Decrease) in Capital Financing Requirement</b>	<b>2,852</b>	<b>6,358</b>
<b>Closing Capital Financing Requirement</b>	<b>136,866</b>	<b>134,014</b>
<b>Explanation of Movement in Year</b>		
Increase in underlying need to borrow supported by Government assistance	402	6,223
Increase in underlying need to borrow unsupported by Government assistance	6,043	4,590
Loan	895	-
Minimum Revenue Provision and Voluntary Set Aside	(4,488)	(4,455)
<b>Net Increase/(Decrease) in Capital Financing Requirement</b>	<b>2,852</b>	<b>6,358</b>



## NOTE 21 – ASSETS HELD FOR SALE

	Current		Non-Current	
	31 March 2018 £'000	31 March 2017 £'000	31 March 2018 £'000	31 March 2017 £'000
<b>Balance outstanding at start of year</b>	3,524	6,388	-	-
<b>Assets newly classified as held for sale:</b>				
Transferred from Property, Plant and Equipment during the year	1,288	172	-	-
Transfer to Property, Plant and Equipment	(254)	(751)	-	-
Transfer to Investment Property	-	(275)	-	-
Costs of Assets Sold	(2,135)	(4,111)	-	-
Revaluation	19	2,101	-	-
<b>Balance outstanding at year-end</b>	<b>2,442</b>	<b>3,524</b>	<b>-</b>	<b>-</b>

## NOTE 22 – LEASES

### Operating Leases

The Council had leased 3 properties at 31 March 2018 for its homelessness function (2 properties at 31 March 2017) and the lease rentals for the year totalled £0.077m (£0.045m 2016/17).

The Council also holds certain items of plant and equipment under operating leases or rental agreements within schools and other Council departments. The charge to revenue for these items is £0.135m in 2017/18 (£0.158m in 2016/17).

## NOTE 23 – INVENTORIES

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

	31 March 2018 £'000	31 March 2017 £'000
Work in Progress	-	-
Central Stores - Building Maintenance Unit	152	140
Gofal Môn - Social Services Supplies	97	87
Other - Stationery and other consumables, fuel and goods held for resale	136	140
<b>Total</b>	<b>385</b>	<b>367</b>

## NOTE 24 - DEBTORS

	Long-Term Debtors		Short-Term Debtors	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£'000	£'000	£'000	£'000
Government Departments	-	-	9,941	7,064
NDR and Council Tax	-	-	3,813	3,595
Other Local Authorities	-	-	1,629	1,277
Rents	-	-	263	134
Employee Loans	211	248	166	153
Health Service/Public Bodies	-	-	1,875	1,333
VAT	-	-	1,156	1,560
Trusts	-	-	615	853
Bodies external to Central Government	-	-	81	26
Other	397	398	4,492	4,204
<b>Total</b>	<b>608</b>	<b>646</b>	<b>24,031</b>	<b>20,199</b>

The above debtors' figures are net of bad debt provisions totalling £5.565m in 2017/18 (£5.653m in 2016/17), which can be analysed as follows:-

	31 March 2018	31 March 2017	Movement in Year
	£'000	£'000	
Council Tax	1,643	1,571	72
NDR	585	731	(146)
Rents	506	560	(54)
Trade Debtors	2,831	2,791	40
<b>Total</b>	<b>5,565</b>	<b>5,653</b>	<b>(88)</b>

## NOTE 25 - CASH AND CASH EQUIVALENTS

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

	31 March 2018	31 March 2017
	£'000	£'000
Cash and Bank balances	7,789	14,940
Bank Overdraft	-	-
<b>Total</b>	<b>7,789</b>	<b>14,940</b>

## NOTE 26 – CREDITORS

	Long-Term Creditors		Short-Term Creditors	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£'000	£'000	£'000	£'000
Government Departments	-	-	3,003	4,011
Other Authorities	-	-	1,591	1,554
Trust Balances	-	-	935	1,033
Health Service/Public Bodies	-	-	239	107
Accumulated Absences	-	-	799	1,282
Bodies External to central Government	-	-	37	-
Receipts in advance	-	-	129	1,009
Other	151	166	11,518	9,116
<b>Total Creditors</b>	<b>151</b>	<b>166</b>	<b>18,251</b>	<b>18,112</b>

## NOTE 27 - PROVISIONS

	Balance at 1 April 2016 £'000	Increase in Provisions during year £'000	Utilised during year £'000	Balance at 31 March 2017 £'000	Increase in Provisions during year £'000	Utilised during year £'000	Balance at 31 March 2018 £'000
Insurance Claims Provision	259	366	(457)	168	535	(438)	265
Penhesgyn Waste Site	2,512	217	(98)	2,631	2,229	(229)	4,631
Termination Benefits	23	-	(23)	-	-	-	-
Job Evaluation	126	-	(126)	-	-	-	-
Equal Pay	2,151	512	-	2,663	-	(2,663)	-
Caterlink Pension Provision	-	-	-	-	75	-	75
Home Carers Travel Provision	-	-	-	-	159	-	159
Supreme Court Judgement - Nursing Care	-	-	-	-	196	-	196
<b>Total</b>	<b>5,071</b>	<b>1,095</b>	<b>(704)</b>	<b>5,462</b>	<b>3,194</b>	<b>(3,330)</b>	<b>5,326</b>
<b>Short-Term Provisions</b>	<b>2,559</b>	<b>878</b>	<b>(606)</b>	<b>2,831</b>	<b>965</b>	<b>(3,101)</b>	<b>695</b>
<b>Long-Term Provisions</b>	<b>2,512</b>	<b>217</b>	<b>(98)</b>	<b>2,631</b>	<b>2,229</b>	<b>(229)</b>	<b>4,631</b>
<b>Total</b>	<b>5,071</b>	<b>1,095</b>	<b>(704)</b>	<b>5,462</b>	<b>3,194</b>	<b>(3,330)</b>	<b>5,326</b>

### Purpose of Main Provisions

#### Insurance Claims Provision

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

#### Penhesgyn Waste Site

The provision is for the aftercare of the areas of the site formerly used for landfill. There is no defined timescale for this work to be completed although, for management purposes, a time span of 30 years on an ongoing basis until there is evidence that there is no further contamination at the site.

#### Equal Pay

This is a provision for ongoing legal claims against the Council in relation to Equal Pay. However, this is offset by the unequal pay unusable reserve, which cancels this provision to zero in the Council Fund. The Equal Pay Provision similar to related Unequal Pay Unusable Reserve in note 11, has been reduced to nil as Equal Pay costs paid in 2017/18 have been funded from capital following a Capitalisation Directive from Welsh Government. Any ongoing costs equal pay costs will be funded from the Equal Pay earmarked reserve. Therefore, the Equal Pay Provision and the Unequal Pay Unusable Reserve are no longer required.

## Other Short-term Provisions created in 2017/18

Three new short-term provisions were created in 2017/18 for liabilities the Council is likely to incur due to past events, for which there is uncertainty about the amount or timing of any payment. Therefore, best estimates have been used for these. There is a provision of £75k for Caterlink Pension costs following the transfer of staff under TUPE. A provision of £159k has been created in relation to Home Carers Travel. Finally, a provision of £196k has been set up for Nursing Care costs following a Supreme Court Judgement.

## NOTE 28 – CASH FLOW FROM OPERATING ACTIVITIES

	2017/18 £'000	2016/17 £'000
<b>Adjustment to surplus or deficit on the Provision of Services for non-cash movements</b>		
Depreciation and Impairment	12,233	12,302
Downward/(upwards) revaluations and non-sale de-recognitions	18,403	10,307
Amortisation	147	102
(Increase)/Decrease in Inventories	(18)	85
(Increase)/Decrease in Debtors	(3,794)	3,202
Increase/(Decrease) in impairments for Bad Debts	(110)	239
Increase/(Decrease) in Creditors	(1,995)	(1,792)
Increase/(Decrease) in Capital Grants receipts in advance	3,624	(1,029)
Transactions within the CIES relating to retirement benefits	6,537	3,154
Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	4,363	7,261
Contributions to/(from) Provisions	(136)	391
Movement in value of investment properties - Impairment and downward revaluations (and non-sale de-recognitions)	152	(298)
<b>Total</b>	<b>39,406</b>	<b>33,924</b>
<b>Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities</b>		
Proceeds from the sale of Property, Plant and Equipment, investment property and assets held for sale	(2,782)	(5,237)
Capital grants included in "Taxation and non-specific grant income"	(11,801)	(13,356)
<b>Total</b>	<b>(14,583)</b>	<b>(18,593)</b>

## NOTE 29 – CASH FLOW FROM INVESTING ACTIVITIES

	2017/18 £'000	2016/17 £'000
Purchase of Property, Plant and Equipment, Heritage Assets, Investment Properties and Intangible Assets	(25,333)	(33,193)
Short-Term Investments (not considered to be cash equivalents)	5	5
Proceeds from the sale of Property, Plant and Equipment, investment property and assets held for sale	2,782	5,237
Capital Grants and Contributions Received	11,801	13,356
<b>Net Cash flows from Investing Activities</b>	<b>(10,745)</b>	<b>(14,595)</b>

## NOTE 30 – CASH FLOW FROM FINANCING ACTIVITIES

	2017/18 £'000	2016/17 £'000
Cash Receipts from Short and Long-Term Borrowing	11,173	6,198
Difference between cash paid and received as part of NDR Pool 2016/17	129	(276)
Cash movements on Houses into Homes agency schemes	218	-
Other	(150)	198
<b>Net Cash flows from Financing Activities</b>	<b>11,370</b>	<b>6,120</b>

	2017/18 £'000	2016/17 £'000
Interest Received	(31)	(54)
Interest Paid	5,862	6,003

## NOTE 31 – NATURE OF EXPENSES NOTE

The Comprehensive Income and Expenditure Statement provides financial information in relation to expenditure and income per service. This nature of expenses note provides financial information per type of expenditure rather than by service.

	2017/18 £'000	2016/17 £'000
<b>Expenditure</b>		
Employee benefits	90,814	89,160
Other services expenses	125,169	115,282
Support services recharge	926	11,636
Depreciation, amortisation, impairment	12,380	12,406
Interest Payments	8,651	9,324
Precepts and levies	12,239	11,638
Loss / (Gain) on disposal of assets	10,909	11,404
<b>Total Expenditure</b>	<b>261,088</b>	<b>260,850</b>
<b>Income</b>		
Fees, charges and other service income	(29,940)	(55,484)
Interest and investment income	(24)	(462)
Income from council tax, non-domestic rates	(65,297)	(61,278)
Government grants and contributions	(133,228)	(134,086)
<b>Total Income</b>	<b>(228,489)</b>	<b>(251,310)</b>
<b>(Surplus) or Deficit on the Provision of Services</b>	<b>32,599</b>	<b>9,540</b>

\*\* 2016/17 has been restated to reflect that the Revenue Support Grants is included within the line Government grants and contributions

## NOTE 32 – TRADING OPERATIONS

The Council has no Trading Operations.

### NOTE 33 - MEMBERS' ALLOWANCES

A total of £0.660m (£0.681m in 2016/17) was paid in respect of allowances to Council Members during the year as follows:-

	2017/18 £'000	2016/17 £'000
Basic and Special responsibility allowances	539	547
Chairman and Deputy Chairman's Allowance	6	6
Pension Costs	51	57
National Insurance Costs	41	43
Travel Costs	7	6
Subsistence	1	3
Miscellaneous	15	19
<b>Total</b>	<b>660</b>	<b>681</b>

In addition, the Council spent £14,648 on expenses for lay members (£7,281 in 2016/17).

### NOTE 34 – OFFICERS' REMUNERATION

The number of employees whose actual remuneration paid was more than £60k but not more than £150k in 2017/18, excluding pension contributions but including severance pay, is as follows:-

Officer Remuneration	Non-Schools 2017/18 Number of Employees	Non-Schools 2016/17 Number of Employees	Schools 2017/18 Number of Employees	Schools 2016/17 Number of Employees
£60,000 to £64,999	4	2	4	3
£65,000 to £69,999	1	3	1	-
£70,000 to £74,999	3	4	3	3
£75,000 to £79,999	1	-	1	3
£80,000 to £84,999	1	1	2	1
£85,000 to £89,999	2	2	-	-
£90,000 to £94,999	-	-	-	-
£95,000 to £99,999	-	-	-	-
£100,000 to £104,999	-	-	-	-
£105,000 to £109,999	-	-	-	-
£110,000 to £114,999	1	1	-	-
<b>Total</b>	<b>13</b>	<b>13</b>	<b>11</b>	<b>10</b>

There are no officers whose remuneration exceeds £115k.

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

Senior Officer Remuneration	Salary, Fees and Allowances £'000	Expenses Allowances £'000	Pension Contribution £'000	Total £'000
Chief Executive *	113	1	21	135
Assistant Chief Executive	87	1	16	104
Assistant Chief Executive	87	2	16	105
Head of Council Business	75	-	14	89
Head of Resources and Section 151 Officer	83	1	15	99
Head of Profession - (HR)	64	-	12	76
Head of Housing	69	1	12	82
Head of Regulation and Economic Development	73	1	14	88
Head of Lifelong Learning	73	-	14	87
Head of Children's Services	66	-	13	79
Head of Adult Services	72	-	13	85
Head of Highways, Property and Waste	67	2	12	81
Head of Corporate Transformation	61	-	11	72
Chief Planning Officer - Energy Island	-	-	-	-
<b>Total</b>	<b>990</b>	<b>9</b>	<b>183</b>	<b>1,182</b>

\* Note: Returning Officer element of Chief Executive salary is £9,785 and is not included in the figures above.

### Comparative figures for 2016/17 are shown in the following table:-

Senior Officer Remuneration	Salary, Fees and Allowances £'000	Expenses Allowances £'000	Compensation for loss of Office £'000	Pension Contribution £'000	Total £'000
Chief Executive *	121	2	-	22	145
Assistant Chief Executive	86	1	-	16	103
Assistant Chief Executive	86	2	-	16	104
Head of Council Business	75	-	-	14	89
Head of Resources and Section 151 Officer	82	1	-	15	98
Head of Profession HR	63	-	-	12	75
Head of Housing	66	1	-	12	79
Head of Regulation and Economic Development	72	2	-	13	87
Head of Lifelong Learning	72	2	-	13	87
Head of Children's Services	56	-	-	14	70
Head of Adult Services	72	-	-	13	85
Head of Highways, Property and Waste	66	1	-	12	79
Head of Corporate Transformation	66	-	-	12	78
Chief Planning Officer - Energy Island	61	-	-	11	72
<b>Total</b>	<b>1,044</b>	<b>12</b>	<b>-</b>	<b>195</b>	<b>1,251</b>

\* Note: Within the Chief Executive's salaries, fees and allowances a Returning Officer payment of £9,105 is included.

The remuneration ratio of the Chief Executive to the median remuneration of all employees during 2017/18 is 6.51:1 (6.47:1 in 2016/17).

## NOTE 35 - TERMINATION PAYMENTS

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

EXIT Cost Band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages	
	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18 £000	2016/17 £000
£0 - £20,000	21	19	54	19	75	38	362	259
£20,001 - £40,000	4	2	11	6	15	8	437	202
£40,001 - £60,000	-	-	1	-	1	-	44	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £250,000	-	-	-	-	-	-	-	-
<b>Total</b>	<b>25</b>	<b>21</b>	<b>66</b>	<b>25</b>	<b>91</b>	<b>46</b>	<b>843</b>	<b>461</b>

## NOTE 36 – EXTERNAL AUDIT FEES

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

	2017/18 £'000	2016/17 £'000
Fees payable to Wales Audit Office with regard to external audit services carried out by the appointed auditor for the year	192	193
Fees payable to Wales Audit Office with regard to external audit services carried out by the appointed auditor for prior years	15	-
Fees payable to Wales Audit Office in respect of statutory inspections	100	114
Fees payable to Wales Audit Office for the certification of grant claims and returns for the year	115	88
<b>Total</b>	<b>422</b>	<b>395</b>



## NOTE 37 – GRANTS INCOME

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2017/18 and 2016/17 as follows:-

	Note	2017/18 £'000	2016/17 £'000
<b>Credited to Taxation and Non-Specific Grant Income</b>			
Revenue Support Grant (Non-ring-fenced Government Grants)	14	69,650	70,619
Capital Grants and Contributions	14	9,110	10,629
Grant - HRA (Capital Grants and Contributions)	14	2,691	2,727
Other (Non-ring-fenced Government Grants)	14	-	-
<b>Total</b>		<b>81,451</b>	<b>83,975</b>
<b>Credited to Services</b>			
<b>Grants:</b>			
Post-16 Grant (Education)		2,523	2,554
Flying Start (Education)		1,379	-
Foundation Phase Grants (Education)		-	1,853
Education Improvement Grant (Education)		2,969	-
Pupil Development Grant (Education)		1,654	-
Concessionary Fares Grant		717	774
Housing Benefit Subsidy		18,493	18,441
Supporting People Grant (SPG & SPRG)		2,549	2,644
Environment and Sustainable Development Grant		1,601	1,654
<b>Total</b>		<b>31,885</b>	<b>27,920</b>
<b>Other Grants:</b>			
Lifelong Learning		1,707	5,129
Adult Services		1,994	897
Childrens Services		890	635
Housing		1,104	1,093
Highways, Waste and Property		2,197	1,859
Economic Development and Regulatory		700	706
Corporate Transformation		202	199
Resources		600	850
Council Business		22	21
Corporate and Democratic Costs		374	-
Corporate Finance		-	-
Housing Revenue Account		39	34
<b>Total</b>		<b>9,829</b>	<b>11,423</b>
<b>Contributions:</b>			
		<b>10,063</b>	<b>10,768</b>
<b>Total</b>		<b>133,228</b>	<b>134,086</b>

## Capital Grants Received in Advance

	2017/18 £'000	2016/17 £'000
<b>Opening balance</b>	273	1,302
Add: new capital grants received in advance (condition of use not met)	10,469	9,675
Capital Grants repaid	(344)	(43)
Less: amounts released to the Comprehensive Income and Expenditure Account (conditions met)	(6,501)	(10,661)
<b>Closing Balance</b>	<b>3,897</b>	<b>273</b>

## NOTE 38 – RELATED PARTIES

The Council appoints members to certain public, charitable and voluntary bodies. During 2017/18, a total of £3.559m was paid in grants for the purchase of services from these bodies (£3.280m 2016/17). The Council has assessed the materiality of individual transactions arising through related parties and the following disclosures are concerned with transactions between the Council and the related party that have a value in excess of £0.02m.

Related Party	Relationship	Payments Made	Amount owed by the Council	Amounts owing to the Council
		£'000	£'000	£'000
Age UK/ Age Cymru (Age Concern)	Member appointed by the council to be a representative (member lost seat in May 2017)	56	14	4
Anglesey Citizens Advice Bureau	Member appointed by the council to be a representative	85	-	-
Carers Trust North Wales Corssroads Care	Member appointed by the council to be a representative	32	2	-
Grwp Llandrillo Menai	One member is a member of the site committee & another member employed by the company	224	2	9
Medrwn Mon	Member appointed by the council to be a representative	111	-	-
		<b>508</b>	<b>18</b>	<b>13</b>

The Council is a member of the Welsh Local Government Association, to which subscriptions of £0.098m were paid in 2017/18 (£0.095m 2016/17).

Members have declared interests in contracts or in organisations which may have dealings with the Council in the Statutory Register of Members' Interests. A total of £0.785m was paid by the Council in 2017/18 in relation to these interests (£nil 2016/17).

Betsi Cadwalader University Health Board, through common control by central Government, is a related party to the Council. Payments made by the Council for 2017/18 to BCUHB amounted to £0.962m (£1.185m 2016/17) and £0.239m was owing at year-end. Receipts taken in by the Council from BCUHB came to £3.768m (£2.093m 2016/17), with £1.821m (£1.294m 2016/17) due from our related party at year-end.

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

### **INTERESTS IN COMPANIES**

The Council has an interest in two companies where the other member is Gwynedd Council but it does not have significant influence over these companies:-

## **Cwmni Gwastraff Môn-Arfon Cyf**

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

Following a change in legislation, the two Councils decided to close the company down during 2007/08 and to undertake the work in-house. The relevant operational assets and liabilities and the staff transferred to the Council in 2008, together with a balancing amount in cash. The investment has been revalued each year and most of the shareholders' funds have been returned to the two Councils. The company was dissolved in 2017/18 following which the Council received £44k relating to the Council's share of the net assets of the organisation.

## **Cwmni Cynnal Cyf**

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

The company accounts for 2016/17 show a net loss of £0.156m (£0.124m loss 2015/16). The turnover for 2016/17 was £2.348m (£2.735m 2015/16). The company's published accounts show net liabilities of £0.383m as at 31 March 2017 (net assets were £0.490m at 31 March 2016).

Copies of the financial statements are available from Cwmni Cynnal Cyf, Plas Llanwnda, Caernarfon, Gwynedd. The auditor's report on the accounts for the financial year ended 31 March 2017 is not qualified. During 2017/18 financial year, the Council accounted for costs of £0.757m (£0.719m 2016/17) relating to the purchase of services from the company.

This company appointed Ieuan Williams as their Chief Executive Officer in 2017. Ieuan Williams is a councillor of the Authority and holds the role of Deputy Leader and Portfolio Holder for Service Transformation and the Welsh Language.

The Council also has interests in the following companies:-

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

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

During the 2017/18 financial year, the Council accounted for £0.462m (£0.414m 2016/17) for purchase of services from the company.

The company accounts for 2015/16 (that is to year ended 30 September) show a net negative movement in funds of £12.785m (net positive movement in funds of £5.263m 2014/15). The turnover for 2015/16 was £41.364m (£40.704m 2014/15) and net assets amounted to £19.068m as at 30 September 2016 (£31.853m as at 30 September 2015).

Copies of the company's accounts can be obtained from WJEC CBAC Limited, 245 Western Avenue, Llandaff, Cardiff, CF5 2YX. The auditor's report for the financial year ended 30 September 2016 is not qualified.

### **Menter Môn Cyfyngedig**

The Council is a member of Menter Môn Cyf, and was one out of a total of three members at 31 March 2018. The company's objectives are to promote economic growth in rural Anglesey. The company is limited by guarantee, not having a share capital, and the Council's liability is limited to one pound.

During the 2017/18 financial year, the Council made payments of £0.239m to the company in support of the activities (£0.090m 2016/17).

The company accounts for the financial year ended 31 December 2016 shows net loss before tax of £0.261m (net profit before tax of £0.365m in 2015/16). The turnover for 2016 was £2.044m (£4.258m in 2015) and net liabilities amounted to £0.869m as at 31 December 2016 (net assets of £0.542m in 2015).

Copies of the company's accounts can be obtained from Menter Môn, Llangefni Town Hall, Buckley Square, Llangefni, Anglesey, LL77 7LR. The auditor's report on the accounts for the financial year ended 31 December 2016 is not qualified.

### **Caergeiliog Foundation School**

Balances for current assets and liabilities controlled by Caergeiliog Foundation School are included in these accounts and so the school's reserves, as stated in this Balance Sheet, represent only the net current assets. The school also has non-current assets that are stated on the school's Balance Sheet at £0.785m at 31 March 2018 (£0.631m at 31 March 2017), on a combination of valuation and historical cost, less depreciation. The non-current assets are vested in the school's Governing Body and are not consolidated in this Council's Balance Sheet.

### **NOTE 39 - TRUST FUNDS**

The Council acts as trustee for a number of trust funds. Their accounts are available from the Accountancy Section, Resources, Council Offices, Isle of Anglesey County Council, Llangefni, LL77 7TW. Besides the legacies left for purposes such as prize funds at schools and comforts and improvements in Social Services establishments, the Council is also responsible for the following Trust funds:-

During 2017/18, the Head of Function (Resources)/Section 151 Officer had financial responsibility for a number of charities. Although their financial administration is integrated with that of the Council, the charities are legally separate from it and separate financial statements are produced, which are in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting by Charities, published by the Charity Commissioners. The charities are managed and expenditure is approved in accordance with criteria set out in the governing document of each one.

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

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

In 2017/18, the Council received £0.215m (£0.215m in 2016/17) from the Trust towards the running costs of Oriel Ynys Môn. The Council was also reimbursed for financial management and governance costs.

## **Welsh Church Fund**

The investments of this fund are currently being administered by Gwynedd Council on behalf of the successor authorities of Gwynedd County Council. In the future, Anglesey's share of the Welsh Church Fund will be transferred to the Isle of Anglesey County Council to administer.

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

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

On 31 March 2018, the estimated balances of these Trust funds (at market value of the assets) are:-

<b>Pre Audited Statement Summary</b>	<b>2017/18 Income £'000</b>	<b>2017/18 Expenditure £'000</b>	<b>2017/18 Assets £'000</b>	<b>2017/18 Liabilities £'000</b>
Isle of Anglesey Charitable Trust	615	855	21,536	669
Welsh Church Fund	7	8	893	22
Anglesey Further Education Trust Fund	114	159	3,006	-

<b>Audited Statement Summary</b>	<b>2016/17 Income £'000</b>	<b>2016/17 Expenditure £'000</b>	<b>2016/17 Assets £'000</b>	<b>2016/17 Liabilities £'000</b>
Isle of Anglesey Charitable Trust	583	648	22,360	578
Welsh Church Fund	6	20	913	20
Anglesey Further Education Trust Fund	139	512	2,848	12

The total value of the other funds, including investments at market value, is £0.101m as at 31 March 2018 (£0.136m as at 31 March 2017).

Trust Fund balances are not included in the Balance Sheet as these represent assets held in trust for third parties rather than in ownership of the Council. A summary performance of the larger Charitable Trusts is shown in the table above.

The Isle of Anglesey Charitable Trust has had a change of legal status. The Charity will from 2019/20, become a Charitable Incorporated Organisation (ICO).

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

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

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

In 2017/18, the Council paid £3.691m to Teachers' Pensions in respect of teachers' retirement benefits, representing 16.55% of pensionable pay (£3.771m and 16.12% in 2016/17).

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

## NOTE 41 – LOCAL GOVERNMENT DEFINED BENEFIT PENSION SCHEME

### Retirement Benefits

#### Participation in the Local Government Pension Scheme

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

#### a) Transactions Relating to Post-Employment Benefits

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

	2017/18 £'000	2016/17 £'000
<b>Service cost comprising:</b>		
Current service cost	15,098	8,778
Losses on settlements or curtailments	260	97
<b>Total Service cost</b>	<b>15,358</b>	<b>8,875</b>
<b>Financing and Investment Income and Expenditure</b>		
Interest cost on defined benefit obligation	9,987	11,440
Interest Income on scheme Assets	(7,198)	(8,119)
<b>Total Post-employment benefits charged to the Surplus or Deficit on Provision of Service</b>	<b>18,147</b>	<b>12,196</b>
Return on Plan Assets (excluding amounts included in net interest expense)	(2,232)	(34,434)
Actuarial (gains) and losses arising on changes in financial assumptions	(7,671)	45,047
Other	46	(3,280)
<b>Total re-measurement of net defined benefit liability</b>	<b>(9,857)</b>	<b>7,333</b>
<b>Total Post-employment benefits charged to the Comprehensive Income and Expenditure Statement</b>	<b>8,290</b>	<b>19,529</b>
Reversal of net charges made for retirement benefits in accordance with the code	6,537	3,154
<b>Actual amount charged against the Council Fund balance for pensions in the year:</b>		
Employers' contributions payable to scheme	11,610	9,042
<b>Total Post-employment benefits charged to the Surplus or Deficit on Provision of Services</b>	<b>18,147</b>	<b>12,196</b>

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

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates being based on the latest full valuation of the Scheme as at 31 March 2016.

Amounts included in the Balance Sheet arising from the Authority's obligation in respect of its defined benefit plan are as follows:	31 March 2018 £'000	31 March 2017 £'000
Present Value of Scheme Assets	288,424	275,083
Present Value of Scheme Liabilities	(390,612)	(380,592)
<b>Net liability arising from defined obligation</b>	<b>(102,188)</b>	<b>(105,509)</b>

**Reconciliation of Present Value of the Scheme Liabilities**

	2017/18 £'000	2016/17 £'000
<b>Balance as at 1 April</b>	<b>380,591</b>	<b>326,792</b>
Current service cost	15,098	8,778
Interest cost	9,987	11,440
Contributions from scheme participants	2,321	2,202
Remeasurement (gains) and losses	(7,625)	41,767
Past service costs	260	97
Estimated unfunded benefits paid	(987)	(1,004)
Estimated benefits paid	(9,033)	(9,481)
<b>Balance as at 31 March</b>	<b>390,612</b>	<b>380,591</b>

**Reconciliation of Present Value of the Scheme Assets**

	2017/18 £'000	2016/17 £'000
<b>Opening Fair Value of Scheme Assets as at 1 April</b>	<b>275,083</b>	<b>231,770</b>
Interest Income	7,198	8,119
Return on plan assets (excl. net interest expense)	2,232	34,434
Contributions by members	2,321	2,202
<b>Contributions by employer</b>	<b>10,623</b>	<b>8,039</b>
Contributions in respect of unfunded benefits	987	1,004
Unfunded benefits paid	(987)	(1,004)
Benefits paid	(9,033)	(9,481)
<b>Balance as at 31 March</b>	<b>288,424</b>	<b>275,083</b>

c) **Fair Value of Scheme Assets**

The Council Pension Scheme assets comprise:-

Major categories of the fund's assets at quoted prices as at 31 March 2018 and 31 March 2017.

	2017/18 Prices Quoted in Active Markets £'000	2017/18 Prices not quoted in Active Markets £'000	2016/17 Prices Quoted in Active Markets £'000	2016/17 Prices not quoted in Active Markets £'000
<b>Cash and cash equivalents</b>	10,862	-	10,349	-
<b>Equity investment (by industry type)</b>				
Consumer	8,567	-	9,432	-
Manufacturing	9,462	-	8,518	-
Financial Institutions	5,102	-	5,276	-
Energy and utilities	903	-	1,532	-
Health and care	14,646	-	13,577	-
Information technology	10,966	-	11,060	-
Other	995	-	754	-
<b>Debt Securities - Other</b>	-	41,928	-	34,365
<b>Private Equity</b>	-	11,216	-	12,426
<b>Investment Funds and Unit Trusts</b>				
Equities	58,556	87,909	58,797	83,686
Infrastructure	-	5,038	-	3,688
<b>Real Estate</b>				
UK Property	6,737	15,271	6,044	15,020
Overseas property	-	266	-	559
<b>Total Value – All Assets</b>	<b>126,796</b>	<b>161,628</b>	<b>125,339</b>	<b>149,744</b>
<b>Total Value of Active and Non-Active Assets</b>		<b>288,424</b>		<b>275,083</b>



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

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

	31 March 2018	31 March 2017
<b>Cash and cash equivalents</b>	4%	4%
<b>Equity investment (by industry type)</b>		
Consumer	3%	3%
Manufacturing	3%	3%
Financial institutions	2%	2%
Energy and utilities	0%	1%
Health and care	5%	5%
Information technology	4%	4%
Other	0%	0%
<b>Debt Securities - Other</b>	14%	12%
<b>Private equity</b>	4%	5%
<b>Investment Funds and Unit Trusts</b>		
Equities	51%	52%
Infrastructure	2%	1%
<b>Real Estate</b>		
UK Property	8%	8%
Overseas property	0	-
<b>Total</b>	<b>100%</b>	<b>100%</b>

## ch Scheme History

Analysis of scheme assets and liabilities:-

	31 March 2018 £'000	31 March 2017 £'000	31 March 2016 £'000	31 March 2015 £'000	31 March 2014 £'000
Fair Value of Assets in pension scheme	288,424	275,083	231,770	224,961	199,636
Present Value of Defined Benefit Obligation	(390,612)	(380,591)	(326,792)	(350,438)	(290,788)
<b>(Deficit)/Asset in the Scheme</b>	<b>(102,188)</b>	<b>(105,508)</b>	<b>(95,022)</b>	<b>(125,477)</b>	<b>(91,152)</b>

The liabilities show the underlying commitments that the Council has in the long-run to pay retirement benefits. The present value of defined benefit obligations of £390.612m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, resulting in a net liability of £102.188m.

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

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

	2017/18	2016/18
<b>Mortality assumptions:</b>		
<i>Longevity at 65 current pensioners:</i>		
Men	22.0 years	22.0 years
Women	24.2 years	24.2 years
<i>Longevity at 65 for future pensioners:</i>		
Men	24.0 years	24.0 years
Women	26.4 years	26.4 years
Inflation/Pension Increase Rate	2.40%	2.40%
Salary Increase Rate	2.40%	2.40%
Expected Return on Assets	3.40%	3.20%
Rate for discounting scheme liabilities	2.70%	2.60%
<b>Take-up of option to convert annual pension into retirement lump sum:</b>		
Service to April 2008	50.00%	50.00%
Service post April 2008	75.00%	75.00%

**dd) Sensitivity Analysis**

The sensitivity analysis below is based on reasonably possible changes to the assumptions occurring at the end of the reporting period. It assumes for each change in assumption that all the other assumptions remain constant. The sensitivity analysis shows that the impact of a 0.5% decrease in the real discount rate due to potential market changes could increase the fund's liabilities by £40.073m as a higher value is placed on benefits paid in the future. A 0.5% increase in the salary increase rate could increase the fund's costs by £6.885m. A 0.5% increase in the pensions' rate could increase liabilities by £32.620m. The estimations in the sensitivity analysis have been calculated in accordance with professional actuarial assumptions, IAS19 and FRS102. This means that the use of the 0.5% assumptions below were selected by the specialist actuary in accordance with his/her professional judgement. The Actuary would have taken into account current and past information and the fact that there has been only modest changes e.g. interest rates changed by 0.25%. Information about people's lifespans and demographic information would have also influenced this.

Change in assumptions as at 31 March 2018	Approximate % increase to employer	Approximate Monetary Amount £'000
0.5% decrease in real discount rate	10%	40,073
0.5% increase in the salary increase rate	2%	6,885
0.5% increase in pension increase rate	8%	32,620

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

The objective of the scheme is to keep employers' contributions at as constant a rate as possible. The Council has a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed by 31 March 2019.

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

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

The liabilities show underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits. The net liability of £102.188m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy.

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

**f) Estimated contributions to be paid to Gwynedd Pension Fund in 2018/19**

The Council anticipates paying £8.395m contributions to the scheme in 2018/19. The weighted average duration of the defined benefit obligation for scheme members is 19 years.

The amount outstanding to Gwynedd Council in respect of the LGPS contributions for 2017/18 as at 31 March 2018 is £0.762m and is included in the short-term creditors' disclosure note.

**NOTE 42 – CONTINGENT LIABILITIES**

**Section 117 Mental Health Act 1983**

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

**Potential Contaminated Land**

There is a possibility that remedial works may be required at Craig Y Don, Amlwch arising from the historic use of the land, which might have left contamination in the soil.

## **Planning Judicial Review**

There is a possibility of a judicial review of a planning case in 2018.

## **Property Search Claims**

“A group of property search companies sought to claim refunds of fees paid to the Council to access land charges data. The parties have reached agreement on the claims. The Council has agreed to pay the property search companies legal costs to be subject to detailed assessment by way of costs only if proceedings are not agreed. The Council is in discussions with the claimants about the costs aspect of the claim. At present it is not possible to put a final value on these potential liabilities and so the Council, therefore, considers this to be a contingent liability”.

(1) Bevan Brittan LLP, 2015, General advice regarding authorities' published accounts and the property searches claims, London

## **South Stack**

There is a possibility that the Council might be involved in litigation in relation to South Stack Dilapidations. The Council terminated its lease of South Stack Lighthouse from Trinity House. Trinity House has since submitted an invoice for dilapidation costs. The Council is currently contesting the validity of the claim and the value of the costs claim which places uncertainty over whether the Council will have to make a payment and the value of any payment that is made.

## **NOTE 43 – CONTINGENT ASSETS**

### **Legal Charges**

The Council retains a number of legal charges over privately owned residential properties, where it provided support to the buyers under schemes for assisted home purchase, with the Council being entitled to a share of proceeds on the sale of the properties. The actual amount that will be received will vary, dependent upon both the selling prices of individual properties and the nature of any other legal charges against them which may take precedence over the Council's. The timing of any receipts is dependent upon the occurrence of sales.

### **Leisure VAT Claim**

The Council has put a claim into HMRC in relation to the recovery of VAT previously paid to HMRC for income from leisure admission fees. HMRC has been challenged on the legality of charging VAT on these fees and the courts held that income from admission to leisure services should be exempt. In November 2017 the decision was upheld that VAT should not have been charged on Leisure Services, therefore, the Council will be reimbursed for VAT on Leisure admission income paid to HMRC over the last six years. These claims were accepted by HMRC in August 2018.

## NOTE 44 – FINANCIAL INSTRUMENTS

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

	Long-Term		Current	
	31 March 2018 £'000	31 March 2017 £'000	31 March 2018 £'000	31 March 2017 £'000
<b>Cash balances</b>				
Bank deposits	-	-	7,319	14,634
<b>Total cash and investments</b>	<b>-</b>	<b>-</b>	<b>7,319</b>	<b>14,634</b>
<b>Debtors</b>				
Loans and Receivables	608	646	5,992	5,369
<b>Total Debtors</b>	<b>608</b>	<b>646</b>	<b>5,992</b>	<b>5,369</b>
<b>Borrowings</b>				
Financial Liabilities at Amortised Cost	106,913	111,557	12,413	7,672
<b>Total Borrowings</b>	<b>106,913</b>	<b>111,557</b>	<b>12,413</b>	<b>7,672</b>
<b>Creditors</b>				
Financial Liabilities at Amortised Cost	151	166	12,582	10,569
<b>Total Creditors</b>	<b>151</b>	<b>166</b>	<b>12,582</b>	<b>10,569</b>

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

### Income, Expenditure, Gains and Losses

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

	2017/18			2016/17		
	Financial Liabilities Measured at cost less accumulated amortisation £'000	Financial assets, Loans and receivables £'000	Total £'000	Financial Liabilities Measured at cost less accumulated amortisation £'000	Financial assets, Loans and receivables £'000	Total £'000
Interest expense	5,862	-	5,862	6,003	-	6,003
<b>Total expenditure in Surplus or Deficit on the Provision of Services</b>	<b>5,862</b>	<b>-</b>	<b>5,862</b>	<b>6,003</b>	<b>-</b>	<b>6,003</b>
Interest income	-	(31)	(31)	-	(54)	(54)
<b>Total income in Surplus or Deficit on the Provision of Services</b>	<b>-</b>	<b>(31)</b>	<b>(31)</b>	<b>-</b>	<b>(54)</b>	<b>(54)</b>
<b>Net (gain)/loss for the year</b>	<b>5,862</b>	<b>(31)</b>	<b>5,831</b>	<b>6,003</b>	<b>(54)</b>	<b>5,949</b>

## Fair Values of Assets and Liabilities

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

- Estimated ranges of interest rates at 31 March 2018 of 1.67% to 2.67% for loans from the Public Works Loans Board (PWLB) based on new lending rates for equivalent loans at that date;
- No early repayment or impairment is recognised;
- Where an instrument will mature in the next twelve months, carrying amount is assumed to be approximate to fair value; and
- The fair value of short-term debtors and creditors is deemed to be equivalent to their carrying amount at the Balance Sheet date.

Analysis of Loans by Maturity:-

	2017/18 Outstanding Principal £'000	2017/18 Accrued Interest £'000	2017/18 Cost less accumulated amortisation £'000	2016/17 Outstanding Principal £'000	2016/17 Accrued Interest £'000	2016/17 Cost less accumulated amortisation £'000
>25 years	71,709	-	71,709	72,709	-	72,709
15-25 years	12,783	-	12,783	12,106	-	12,106
10-15 years	4,586	-	4,586	6,452	-	6,452
5-10 years	5,662	-	5,662	5,611	-	5,611
2-5 years	7,056	-	7,056	9,669	-	9,669
1-2 years	5,117	-	5,117	5,010	-	5,010
<b>Total Long-Term Borrowing</b>	<b>106,913</b>	<b>-</b>	<b>106,913</b>	<b>111,557</b>	<b>-</b>	<b>111,557</b>
<b>Total Short-Term Borrowing (&lt; 1 year)</b>	<b>10,116</b>	<b>2,297</b>	<b>12,413</b>	<b>5,553</b>	<b>2,119</b>	<b>7,672</b>

The fair values calculated are as follows:-

	31 March 2018		31 March 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Financial liabilities	112,029	166,414	117,110	173,958
Long-term creditors	151	151	166	166

	31 March 2018		31 March 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Cash on deposit and loans to other local authorities	7,319	7,334	14,634	14,655

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

The fair value of the assets is higher than the carrying amount because the Council's portfolio of investments includes a number of fixed rate loans where the interest rate receivable is higher than the rates available for similar loans at the Balance Sheet date. This shows a notional future gain (based on economic conditions at 31 March 2018) attributable to the commitment to receive interest above current market rates.

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

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

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

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

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

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

##### **Credit Risk**

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

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

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

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

The EU referendum result to leave the European Union created an economic shock which impacted on markets and many aspects of the economy. The long-term outlook ratings for the UK banks as a whole were downgraded to a negative outlook. A collapse of the banking sector would undermine the deposits held in UK banks (£7.319m at 31/03/18). This is being monitored closely and reassuringly the credit ratings of the banks in which the Authority holds deposits remain at an acceptable level in accordance with the Treasury Management Strategy. If the credit ratings fall below the acceptable level, the Authority would seek to place the balances in alternative investments, which must be in accordance with the Treasury Management Strategy. During the financial year, the Bank of England reversed its previous reduction in the official bank rate from 0.25% back to 0.50%. This action shows that there is greater confidence in the UK economy though there is still some uncertainty arising from the UK leaving the EU in 2020 which particularly affects the banking sector. The Council does not generally allow credit for customers; it has prescribed collection procedures for amounts owed by its customers and appropriate provisions are made for potential bad debts. In some circumstances, the Council obtains a legal charge on property to cover deferred debts such as self-funding of residential care.

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

	Amount 2017/18 £'000	Historical Experience of default %	Estimated Maximum Exposure 2017/18 £'000	Estimated Maximum Exposure 2016/17 £'000
Banks and financial institutions (Non-National)	5,993	-	-	-
UK Nationalised / Part Nationalised Banks	1,326	-	-	-
UK Local Authorities	-	-	-	-
<b>Total deposits</b>	<b>7,319</b>	-	-	-
Trade Debtors under 1 year	1,036	10	104	154
Trade Debtors between 1-2 years	321	20	64	4
Trade Debtors between 2-6 years	113	30-70	79	51
Trade Debtors 6+ years	6	100	6	18
<b>Total Trade Debtors</b>	<b>1,476</b>		<b>253</b>	<b>226</b>

## Liquidity Risk

Liquidity Risk is low as the Council had no difficulty in the past in obtaining finance and has ready access to the Public Works Loans Board (PWLB) as lender of last resort. The key aims of the Treasury Management Strategy are to ensure the Authority is exposed to low risk and to ensure liquidity. The majority of the Authority's investments are in instant access deposit accounts. Therefore, there is a reduced risk that it will be unable to raise finance to meet its commitments under financial instruments. However, there's often a risk that the Council will need to renew a significant proportion of its borrowings at a time of high interest rates. The practice is to ensure that not more than 20% of loans are repayable within any two-year period and to continuously assess the market rates and forecasts in order to replace maturing loans or reschedule existing loans at the most beneficial time. The current low interest rates would reduce interest rates on new loans that are taken out to repay the debt maturing. To assist in achieving this, the Council uses external treasury management advisors. The maturity analysis of outstanding loans is shown in note 44. Trade and other payables are due to be paid in less than one year.



	31-Mar-18 £'000	31-Mar-17 £'000
Less than six months	1,000	1,537
Six months to one year	37	20
More than one year	439	189
<b>Total</b>	<b>1,476</b>	<b>1,746</b>

## Market Risk

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

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

Borrowings are not carried at fair value as these are carried at Amortised Cost in accordance with the CIPFA code. Therefore, nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the Council Fund Balance.

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

All of the Council's current and long-term borrowing and bank deposits are held at fixed rates.

## NOTE 46 - JOINT COMMITTEES

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

- Joint Planning Committee
- Special Educational Needs Joint Committee

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

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

Gwynedd Council is responsible for the operation of three joint committees and the year-end balances are reflected in its Balance Sheet. The 2017/18 accounts for these joint committees can be viewed by following the below links:-

### **Joint Planning Committee**

<https://www.gwynedd.llyw.cymru/en/Council/Performance-and-spending/Budgets-and-finance/Statement-of-Accounts/Joint-Planning-Policy-Committee.aspx>

### **Special Educational Needs Joint Committee**

<https://www.gwynedd.llyw.cymru/en/Council/Performance-and-spending/Budgets-and-finance/Statement-of-Accounts/Special-Educational-Needs-Joint-Committee.aspx>

### **GwE**

<https://www.gwynedd.llyw.cymru/en/Council/Performance-and-spending/Budgets-and-finance/Statement-of-Accounts/GwE-Joint-Committee.aspx>

Flintshire Council is responsible for the operation of the NWRWTP joint committee and the year-end balances are reflected in its Balance Sheet. The total net assets at 31 March 2018 were £108,798.

The Isle of Anglesey County Council is also involved in various joint arrangements with neighbouring North Wales Councils as follows:-

- North Wales Adoption Service (Lead: Wrexham. Parties: Flintshire, Denbighshire, Conwy, Gwynedd);
- Minerals and Waste Service (Lead: Flintshire. Parties: Denbighshire, Conwy, Gwynedd);
- Regional Emergency Planning Service (Lead: Flintshire. Parties: Wrexham, Denbighshire, Conwy, Gwynedd); and
- Galw Gofal (Lead: Conwy, Parties: Gwynedd, Flintshire).

### **NOTE 47 – HOUSES INTO HOMES**

The Council acts as an agent for Welsh Government for the provision of loans to individuals for renovation of empty homes in order to reduce the number of empty homes on Anglesey and increase housing opportunities. In 2017/18, £0.094m (£0.226m in 2016/17) was utilised in the renovations of empty homes.

### **NOTE 48 – COUNCIL TAX**

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into nine valuation bands estimating 1 April 2003 values for this specific purpose. Charges are calculated by taking the amount of income required for the Council and the North Wales Police Authority for the forthcoming year and dividing this amount by the Council Tax base. The Council Tax base is the total number of properties in each band adjusted by a proportion to convert the number to a band D equivalent and adjusted for discounts. The Council Tax base for 2017/18 was £30,794.83 (£30,250.23 in 2016/17).

The amount for a band D property in 2017/18, £1,377.15 (£1,340.57 in 2016/17), is multiplied by the proportion specified for the particular band to give the amount due by band. Individual amounts due are calculated by applying discounts and benefits to the amount due by band.

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

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

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

Band	A*	A	B	C	D	E	F	G	H	I	Total
Total Dwellings	16.00	3,968.00	5,982.00	6,077.00	6,628.00	5,061.00	2,454.00	999.00	152.00	44.00	31,381.00
Multiplier	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9	
Band "D" Equivalent	8.89	2,645.17	4,652.28	5,402.00	6,627.75	6,185.67	3,544.31	1,665.00	304.00	101.50	31,136.57

	2017/18	2016/17
Band D equivalent as above	31,136.57	30,580.09
Collection Rate	98.50%	98.50%
Revised Band D equivalent	30,669.52	30,121.39
MoD Properties – Band D equivalent	125.31	128.84
<b>Council Tax Base</b>	<b>30,794.83</b>	<b>30,250.23</b>

In 2013/14, the Welsh Assembly Government introduced the Council Tax Reduction Scheme to replace the Council Tax benefit scheme. £5.432m of council tax reductions were awarded in 2017/18 (£5.381m in 2016/17).

Analysis of the net proceeds from Council Tax:	2017/18 £'000	2016/17 £'000
Gross Council Tax	42,295	40,183
Less Council Tax Reduction awarded to residents	(5,342)	(5,381)
<b>Council Tax collectable</b>	<b>36,953</b>	<b>34,802</b>
Add/Less: provision for non-payment not required or not previously accounted for	(50)	(215)
<b>Net Proceeds from Council Tax</b>	<b>36,903</b>	<b>34,587</b>

#### NOTE 49 - NON-DOMESTIC RATES (NDR)

NDR is organised on a national basis.

Non-domestic properties are normally assessed every five years for the purpose of calculating liability for NDR. A new list came into force on 1 April 2017. Revaluations do not raise extra revenue overall but reflect changes in the property market values across the country, redistributing the same total tax liability for NDR. Some rates bills will rise and some will fall but the average national bill will only change with inflation.

The Welsh Government specifies an amount for the rate – 49.9p in 2017/18 (48.6p 2016/17), and local businesses pay rates calculated by multiplying their rateable value by that amount. The Council is responsible for collecting rates due from ratepayers in its area but pays the proceeds into the NDR pool administered by the Welsh Government. The Welsh Government then redistributes the sums paid into the pool back to local authorities on the basis of a fixed amount per head of population.

NDR income, after reliefs and provisions (including Small Business Rates Relief provided by the Welsh Government), totalled £11.777m for 2017/18 (£13.449m in 2016/17) and was based on rateable value at the year-end of £38.262m (£39.490m in 2016/17).

The average rateable value for the year was £38.419m (£39.252m in 2016/17).

<b>Analysis of the net proceeds from non-domestic rates:</b>	<b>2017/18 £'000</b>	<b>2016/17 £'000</b>
Non-domestic rates collectable	11,777	13,449
Cost of collection allowance	(149)	(147)
Interest paid on overpayments	-	-
Provision for bad debts	(254)	(135)
Contribution to cost of charitable relief/rural rate relief	59	57
<b>Payments into national pool</b>	<b>11,433</b>	<b>13,224</b>
<b>Redistribution from national pool</b>	<b>23,002</b>	<b>21,309</b>

#### **NOTE 50 - MARITIME**

The Council, as a Harbour Authority, is responsible for the following maritime services: Beaumaris, Fryars Bay, Glyn Garth, Menai Bridge, Red Wharf Bay and Amlwch Harbour. The Statutory Harbour Undertakings (Accounts, etc.) Regulations 1983, no. 931, exempts harbour authorities with a turnover of less than £250,000 from the requirement to prepare separate harbour accounts under the Harbours Act 1964. The income and expenditure for Maritime Services are, instead, included in these accounts within the expenditure and income for the Regulation and Economic Development Service. In 2017/18, the turnover on maritime services was £48,934 (£47,336 in 2016/17). Costs incurred during the year were £95,369 (which includes £18,809 of loan interest/capital repayment).

## NOTE 51 – ACCOUNTING POLICIES

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

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

### 1. General Principles

The Statement of Accounts summarises the Council's transactions for the 2017/18 financial year and its financial position at the year-end of 31 March 2018. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations and the Accounts and Audit (Wales) (Amendment) Regulations 2018. These regulations require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 and the CIPFA Service Reporting Code of Practice 2017/18, supported by International Financial Reporting Standards (IFRS). All principal accounting policies have been applied consistently throughout the year.

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

Transactions are accounted for in the year that they take place, not simply when cash payments are made or received. This accruals accounting approach provides a more complete basis for reporting the Council's financial performance as it includes the Council's future commitments to pay/receive cash for goods and services received but not paid by 31 March 2018. Income and expenditure is accounted for in the year the activity it relates to takes place, not simply when cash is paid or received, i.e. on an accruals basis. This means income is recorded when it is earned not received and expenditure when it is incurred not when it is paid. Income from the sale of goods is included in the accounts when the sale is completed, not when the cash is received. Income from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and, as a result of this, the Council is due income in return for the services provided. In addition:

- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made;
- Interest receivable on investments and bank deposits and payable on borrowings (including bank overdrafts) is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than necessarily the cash flows fixed or determined by the contract; and
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that may not be collected.

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

Events can occur after the year-end which might have a significant effect on the financial results for that year. Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the financial year and the date when the Statement of Accounts is authorised for issue. The Statement of Accounts is authorised for issue when the final audited accounts are signed by the Section 151 Officer, after the accounts are approved by full Council. The law requires that the audited, authorised final accounts are completed by 30 September following the year-end. Two types of events can be identified:-

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

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

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

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

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

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

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

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

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

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

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

#### **7. Fair Value Measurement**

IFRS13 Fair Value Measurement requires most non-current assets, liabilities and financial instruments to be valued at fair value, often with regard to an active market value where available. For operational assets, the standard introduces the concept of fair value being based on current value (often value in use) for revaluations of Property, Plant and Equipment. This means measurement should reflect the market conditions for the service or function at the reporting date. The standard provides different fair valuation approaches to differing asset types. For non-operational assets, i.e. investment assets, assets held for sale and surplus assets, these are valued at their highest and best use. Where there is an alternative use which would be of a higher fair value, that is the fair value which would be used for the valuation of non-operational assets. The code does not require infrastructure assets to be revalued at current value. Infrastructure assets are, instead, valued at depreciated historical cost.

The Authority measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Authority's financial statements are categorised within the fair value hierarchy as follows:-

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Authority can access at the measurement date;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – unobservable inputs for the asset or liability.

The Authority is required to use valuation techniques that are appropriate to the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs (levels 1 and 2) and minimising the use of unobservable inputs (level 3). Three widely accepted valuation techniques are:-

- The market approach;
- The cost approach;
- The income approach.

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

### **8.1 Recognition**

Non-current assets - Plant, Property and Equipment (PPE) - are physical assets which last a year or more and will be used by the Council in support of its provision of goods and services. The Council has set a minimum amount for expenditure on assets to be classed as capital expenditure. This de-minimus amount is £30k. Expenditure on the acquisition, creation or enhancement of non-current assets which cost £30k or more is capitalised on an accruals basis providing that it meets the above definition of a non-current asset. Plant, Property and Equipment would include assets such as machinery; it would not typically include assets held for sale as they would normally be expected to be disposed of within 12 months.

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



## 8.2 Measurement

Assets are initially measured at cost, comprising:-

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

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

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

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

- Infrastructure, community assets and assets under construction are valued at depreciated historical cost;
- Council dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH);
- Council offices – current value, determined by the amount that would be paid for the asset in its existing use;
- School buildings – would be valued at current value in use but because of their specialist nature, are measured at depreciated replacement cost;
- Surplus assets – the current value measurement is fair value, estimated at the highest and best use from a market participant's perspective;
- All other operational assets have been measured at current value based on existing use value (EUV). This means that the current value of land and buildings would be that amount which would be exchanged for an asset in its existing use. If there is no market evident for an asset due to its specialist nature or if the type of asset is rarely sold, the Authority estimates the current value using a depreciated replacement cost approach. For example, for property comprising land and buildings, depreciated replacement cost would be the market value for the existing use for the land on which the building sits plus the current gross replacement cost of the building less allowances for physical deterioration, obsolescence and optimisation;
- Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income and Expenditure line of the Comprehensive Income and Expenditure Statement. Where there are conditions on any donated assets, the gain is instead credited to the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance to the Capital Adjustment Account in the Movement in Reserves Statement;

- Where a part or component of an asset is replaced, the carrying value of the old part/component is derecognised to avoid double counting. The new component is added to the carrying amount. If it is not practicable to determine the carrying amount of the replaced part, the cost of the new part is used as an indication of the cost of the replaced part; and
- Where an asset is not held for the purpose of generating cash flows, value in use is assumed to be at least equal to the cost of replacing the asset's service potential.

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

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. In practice, the Council undertakes valuations of its Property, Plant and Equipment assets based on a five-year rolling programme. However, assets with a carrying value over £500k are revalued each year. Increases in asset values are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, revaluation gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

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

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

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

### **8.3 Impairment**

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

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

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

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

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

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

Where the impairment is on a non-revalued asset (i.e. an asset with a carrying value based on historical cost), the impairment is recognised in the Comprehensive Income and Expenditure Statement.

#### **8.4 Depreciation**

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

Depreciation is calculated on the following bases:-

- dwellings and other buildings – straight-line allocation over periods of up to 75 years, as estimated by the Valuer;
- vehicles, plant, furniture and equipment – straight-line allocation over 5 to 15 years;
- infrastructure – straight-line allocation over periods of up to 30 years.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. Refer to note 4a.

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

Depreciation is not charged in the year an asset is acquired.

#### **8.5 Disposals and Non-current Assets Held-for-Sale**

These assets are actively marketed for sale and where the Council expects that sale will go through in the next 12 months. The assets are identified separately as the value in the Balance Sheet will be recovered principally through a sale transaction rather than future continued use. The asset (or disposal group) is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Fair value of non-current assets held for sale is measured at the highest and best use. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held-for-Sale.

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

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

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

## **8.6 Disposals of Non-current Assets**

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

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

Amounts received for a disposal in excess of £10k are categorised as capital receipts and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Capital Receipts Reserve from the Council Fund Balance in the Movement in Reserves Statement.

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

## **8.7 Surplus Assets**

The fair value of surplus assets is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This will be based on the highest and best use.

## **8.8 Heritage Assets**

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

Operational Heritage Assets (i.e. those that, in addition to being held for their heritage characteristics, are also used by the Council for other activities or to provide other services) are valued and accounted for as operational assets, in the same way as other assets of that general type (e.g. operational buildings).

Heritage Assets are valued on the basis that is most appropriate and relevant in respect of the individual asset or class of assets. Where it is not practicable to obtain a valuation at a cost which is commensurate with the benefits to users of the financial statements, Heritage Assets are measured at historical cost (less any accumulated depreciation, amortisation and impairment losses as appropriate). Where Heritage Assets are measured at valuation, then the carrying amount is measured with sufficient frequency to ensure that the valuations remain current, and at intervals of no greater than five years. Where a cost or valuation cannot be determined for a Heritage Asset without disproportionate cost, the assets will not be recognised in the Balance Sheet. Instead, the asset will be disclosed in the notes to the accounts.

Where a Heritage Asset has a finite life, depreciation is provided for on the same basis as for other classes of asset (for detail see Accounting Policy for Depreciation, 8.4 above).

Depreciation is not provided on Heritage Assets which have indefinite lives and a high residual value. The carrying amount of a Heritage Asset is reviewed where there is evidence of impairment, for example, where it has suffered physical deterioration or breakage or new doubts arise as to its authenticity. Any impairment is recognised on the same basis as for other classes of asset (for detail see under Accounting Policy 8.3, Impairment). The Council does not currently actively seek further acquisitions of Heritage Assets, but responds to opportunities to enhance its portfolio as they arise. The art collections are housed at Oriel Ynys Môn, with maintenance work being carried out as required. Parts of the collection are on display at any one time, while access to the remainder is available by arrangement. The Heritage Properties are managed and maintained, with due regard for their heritage characteristics, as part of the Council's overall portfolio of land and buildings.

## **8.9 Treatment of School Assets**

Local Authority maintained schools are deemed to be in the control of local authorities. The assets, liabilities, reserves and cash flows of the Authority's maintained schools are, therefore, included in the Council's financial statements.

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

Capital expenditure on community schools is added to the balances for those schools. Individual schools' balances at 31 March 2018 are included in the Balance Sheet of the Council as any unspent delegated schools' budgets remain the property of the Council.

For accounting purposes, the status of the assets of voluntary controlled and voluntary aided schools are as follows:

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

## 9. Investment Properties

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

Investment properties are recognised when it is probable that future planned economic benefits will flow to the Authority and that the cost or fair value of the investment property can be reliably measured. Investment properties are measured initially at cost and, subsequently, at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. The Code requires that Investment Properties be valued at their highest and best use regardless of the intentions of the Council. This means that alternative uses have been considered for each investment property and, if there is an alternative use that would maximise fair value, then that is the fair value which is to be used. The properties are not depreciated but are revalued annually in accordance with IFRS13 according to market conditions at the Balance Sheet date. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the Council Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Council Fund Balance. The gains and losses are, therefore, reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10k) the Capital Receipts Reserve.

## 10. Intangible Assets

Intangible assets are non-current, non-financial assets which are separately identifiable but which do not have physical substance (for example, computer software). These are controlled by the Council as a result of past events. Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services. Expenditure on intangible assets is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

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

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

## **11. Inventories and Long-Term Contracts**

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

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

Work in progress is included in the Balance Sheet at cost.

## **12. Cash and Cash Equivalents**

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

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

## **13. Financial Instruments**

Financial instruments are measured at fair value in accordance with IFRS13. The fair value of financial instruments is the price that would be received to sell the asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

### **13.1 Financial Liabilities**

A financial liability is a requirement to transfer economic benefit controlled by the Authority to another entity, for example pay cash or transfer assets/liabilities. The Authority's loans from the PWLB are examples of financial liabilities. Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument. Most financial liabilities will be carried at amortised cost to reflect the fact that the Council has incurred transaction costs or is required to spread the life of the financial liability across the life of the instrument. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

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

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

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

## **13.2 Financial Assets**

Financial assets are classified into two types:-

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

### **13.2.1 Loans and Receivables**

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

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

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

Any gains and losses that arise on de-recognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.



The Council has made a limited number of loans to employees and at less than market rates (soft loans, for example the Car Loans Scheme). The Council has determined that the value of the individual loans of notional interest foregone is negligible and so has not adjusted the entries to the Income and Expenditure in respect of these soft loans.

### **13.2.2 Available-for-Sale Financial Assets**

The Council does not have any available-for-sale financial assets and are unlikely to have any in the short-term as these financial assets are not included in the Treasury Management Strategy Statement 2018/19.

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

### **14.1 Provisions**

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

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

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

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

The Authority has made a provision for the costs of settling claims for back-pay arising from discriminatory payments incurred before the Authority implemented its Equal Pay Strategy. However, statutory arrangements allow settlements to be financed from the General Fund in the year that payments actually take place, not when the provision is established. The provision is, therefore, balanced by an Unequal Pay-Back Pay Account which, effectively, cancels the provision to zero. If any equal pay claims are funded from the general reserve in the year, these payments are deducted off the Equal Pay Provision and the Unequal Pay- Back Pay unusable reserve. Similarly, if a capitalisation directive is applied during the year, both the Equal Pay Provision and the Unequal Pay Back Pay unusable reserve will be reduced accordingly for the amount which is funded by capitalisation directive. The balance on the provision and the relevant reserve should reflect only any unsettled claims and future new claims.

## **14.2 Contingent Liabilities**

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

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

## **14.3 Contingent Assets**

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

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

## **15. Reserves**

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

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

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

## **16. Revenue Recognition**

Revenue is recognised in the Comprehensive Income and Expenditure Statement for the year in which it is earned rather than when the cash is received. This relates to income from the sale of goods (produced by the Council for the purpose of sale or purchased for resale), the provision of services (excluding services directly related to construction contracts), interest, royalties and dividends, non-exchange transactions (i.e. Council Tax) and where previously a liability had been recognised (i.e. creditor) on satisfying the revenue recognition criteria. Revenue is also recognised on gains which may or may not arise from ordinary activities such as gains on the revaluation of non-current assets, gains on the sale of non-current assets and gains on available-for-sale financial assets. Where the Authority is acting as an agent, only the income the Council is paid for its role of agent will be recognised in the accounts. The amount relating to the third party (the principal) will not be included in the accounts.

Revenue is recognised and measured at the fair value of the consideration receivable. This is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Rebates and cash settlements, where relevant, will be taken into account in measuring the fair value of the consideration received.

If payment is on deferred terms, the consideration receivable is discounted to present value in order to achieve a fair value. The difference between this amount and the total payments received is recognised as interest revenue in the Surplus or Deficit on Provision of Services. Short duration receivables with no stated interest rate are measured at original invoice amount where the effect of discounting is immaterial. There is no difference between the delivery and payment dates for non-contractual, non-exchange transactions i.e. revenue relating to Council Tax and general rates and, therefore, these transactions are measured at their full amount receivable.

## **17. Internal Interest**

The Council invests its cash balances in accordance with its Treasury Management and Investment Policies and the interest is accrued and credited to the Comprehensive Income and Expenditure Statement. Interest is credited to trust funds and other third party funds based on the average rate of interest earned by the Council. Some reserves receive interest by way of an appropriation calculated on the same basis.

## **18. Leases**

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

### **18.1 The Council as Lessee**

#### **18.1.1 Finance Leases**

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

Lease payments are apportioned between:-

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

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

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

### **18.1.2 Operating Leases**

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

## **18.2 The Council as Lessor**

### **18.2.1 Finance Leases**

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

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

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

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

### **18.2.2 Operating Leases**

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

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

Services and support services are charged with the following amounts to record the real cost of holding non-current assets during the year:-

- Depreciation of assets used by the Service;
- Revaluation and impairment losses on assets used by the Service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off; and
- Amortisation of intangible assets attributable to the Service.

The Council is not required to raise council tax to cover these costs. However, it is required to set aside an annual contribution from revenue towards its overall borrowing requirement. These costs are, therefore, replaced by the Minimum Revenue Provision (MRP) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

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

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

The Housing Revenue Account (HRA) provision is calculated as being 2% of the opening HRA Capital Financing Requirement (CFR). The Council Fund provision is based on 4% of the opening non-HRA CFR for all projects with the exception of projects funded by unsupported borrowing. The MRP for these projects is based on the useful life of the asset. An exception to this policy arises in respect of expenditure which is subject to a capitalisation direction issued under Section 40(6) of the Local Government and Housing Act 1989. Any such expenditure will be amortised either in accordance with the above policy or over the number of years specified within the direction.

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

## **20. Government Grants and Contributions**

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

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

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until the conditions attached to the grant or contribution have been met. Grant conditions are the requirements which have to be met in order to qualify for the grant, for example, the building of a school or key outcomes specified within the conditions. Monies advanced as grants and contributions, for which conditions have not been satisfied, are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

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

Some grants' bodies impose restrictions which limit or direct the purposes for which the grant may be used but do not stipulate that the grant is to be repaid.

## **21. Revenue Expenditure Funded from Capital Under Statute (REFCUS)**

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

## **22. Overheads and Support Services**

The costs of overheads and support services are charged to services that benefit from the supply or service in accordance with the Authority's arrangements for accountability and financial performance for the purpose of full-cost accounting for the statutory statistical returns, for example, the annual RA and RO Government returns. However, for budget monitoring and the statutory annual accounts, recharges are excluded and the corporate and support services are reported as service segments and held accountable for budget management.

## **23. Foreign Currency**

The Council has a diminishing number of European grant aided schemes where the grants may be denominated in Euros. A Euro Bank account was opened to support these schemes. The balance on this bank account at the year-end is converted at the spot exchange rate at 31 March with resulting gains or losses being recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

## **24. Employee Benefits**

### **24.1 Benefits Payable during Employment**

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

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

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

### **24.2 Termination Benefits**

Termination benefits are amounts payable as a result of a decision by the Council to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy. These benefits are charged on an accruals basis to the relevant service line in the Comprehensive Income and Expenditure Statement when the Council can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructuring.

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

### **24.3 Post-Employment Benefits**

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

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education; and
- The Local Government Pension Scheme, administered by Gwynedd Council.

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

## 24.4 Teachers' Pension Scheme

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

## 24.5 The Local Government Pension Scheme

All employees (other than teachers) and Councillors, subject to certain qualifying criteria, are able to join the Local Government Pension Scheme. The Scheme is known as the Gwynedd Pension Fund and is administered by Gwynedd Council in accordance with the Local Government Pension Scheme Regulations 2013 on behalf of all participating employers. Under International Accounting Standard (IAS 19), the Local Government Scheme is accounted for as a defined benefits scheme.

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

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

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

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

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

- a) Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- b) Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs. Net interest on the net defined benefit liability, i.e. the net interest expense for the Council - the change during the period in the net defined benefit liability that arises from the passage of time is charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period, to the net defined liability at the beginning of the period (taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments);



**c)** Re-measurement comprising:

- The return on plan assets (excluding amounts already included in the net interest on net defined benefit) which is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- Actuarial gains and losses – changes in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. This is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;

**ch)** Contributions paid to the Gwynedd Pension Fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

## **24.6 Discretionary Benefits**

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

## **25. Exceptional Items**

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

## **26. Accounting for NDR (Non-domestic Rates)**

As the Council acts as an agent in the collection of NDR income, it does not include the financial position with regard to the ratepayers and only reports the net cash position with Central Government in its Balance Sheet. Therefore, if the amount collected from NDR taxpayers by the Authority (net of the cost of collection allowance) exceeds that paid to Welsh Government at 31 March, the amount not yet paid to the Welsh Government is included in the Balance Sheet as a creditor. Similarly, if the cash paid to Welsh Government exceeds the cash collected from NDR taxpayers (net of the cost of collection allowance), the excess is included in the Balance Sheet as a debtor. The Council maintains records of NDR arrears, impairment allowances, prepayments and overpayments in its underlying accounting records; however, for final accounts purposes these balances are consolidated into a single agency account, with the figures netting down to the debtor/creditor to the national pool. The cost of collection allowance received by the Isle of Anglesey County Council is the billing Council’s income and is included in the Comprehensive Income and Expenditure Statement.

Cash collected from NDR taxpayers is not included in the Cash Flow Statement except for the cash retained in respect of the cost of collection allowance. Any difference between the cash collected from NDR taxpayers and the cash paid into the NDR Pool is included within financing activities in the Cash Flow Statement.

## **27. Agency Income and Expenditure**

Under various statutory powers, a Council may agree with other local authorities, water companies and government departments to do work on their behalf. The body carrying out agency services is reimbursed by the responsible body to the extent of approved expenditure together with any agreed contribution towards administrative costs. Only the amounts relating to the Council, for example the fees earned for providing the agency services, will be included in the Council's Comprehensive Statement of Income and Expenditure.

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

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

Welsh Government – Empty Homes' Loans where the Council acts as agent between Welsh Government and recipients of Empty Homes' Loans.

**SUPPLEMENTARY FINANCIAL STATEMENT  
HOUSING REVENUE ACCOUNT**

**Income and Expenditure Statement for the year ended 31 March 2018**

	2017/18 £'000	2016/17 £'000
<b><u>Expenditure</u></b>		
Management and Maintenance - Repairs and Maintenance	3,322	3,438
Management and Maintenance - Supervision and Management	4,422	3,664
Rents, Rates, Taxes and Other Charges	3	22
Depreciation, Impairment and Revaluation Losses of Non-current Assets	10,652	10,733
Debt Management Costs	12	12
Movement in the Allowance for Bad Debts	(52)	40
Movement in the Accumulated Absences Accrual	8	10
<b>Total Expenditure</b>	<b>18,367</b>	<b>17,919</b>
<b><u>Income</u></b>		
Dwelling Rents	(16,125)	(14,954)
Non-dwelling Rents	(216)	(219)
Charges for Services and Facilities	(97)	(167)
Contributions towards Expenditure	(128)	(91)
Other	(202)	(174)
<b>Total Income</b>	<b>(16,768)</b>	<b>(15,605)</b>
<b>Net Expenditure of HRA Services as included in the Whole Authority Comprehensive Income and Expenditure Statement</b>	<b>1,599</b>	<b>2,314</b>
HRA Services' Share of Corporate and Democratic Core	56	56
<b>Net Expenditure of HRA Services</b>	<b>1,655</b>	<b>2,370</b>
<b>HRA Share of the Operating Income and Expenditure included in the Whole Authority Comprehensive Income and Expenditure Statement:</b>		
(Gain) on sale of HRA Non-current Assets	(2)	(496)
Revaluation of Assets	-	-
Interest Payable and Similar Charges	1,858	2,029
Interest and Investment Income	(10)	(20)
Capital Grants and Contributions receivable:	-	
- Major Repairs Allowance	(2,659)	(2,660)
- Other	(32)	(67)
<b>Deficit for the Year on HRA Services</b>	<b>810</b>	<b>1,156</b>

## Statement of Movements on the HRA Balance

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

	2017/18 £'000	2016/17 £'000
<b>Balance on the HRA at the end of the Previous Reporting Period</b>	<b>(7,544)</b>	<b>(7,042)</b>
(Surplus)/Deficit for the Year on HRA Services	810	1,156
Adjustments between Accounting and Funding Bases under Statute	(781)	(1,658)
<b>Net Decrease/(increase) before Transfers to/from Reserves</b>	<b>29</b>	<b>(502)</b>
Transfers to/(from) Earmarked Reserves	135	-
<b>Net Decrease/(Increase) in Year on the HRA</b>	<b>164</b>	<b>(502)</b>
<b>Balance on the HRA at the end of the Current Reporting Period</b>	<b>(7,380)</b>	<b>(7,544)</b>

## NOTES TO THE HOUSING REVENUE ACCOUNT

### NOTE 1 – HOUSING REVENUE ACCOUNT

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

### NOTE 2 – HOUSING STOCK

During 2017/18, the Council sold no dwellings under the Right-to-Buy Scheme and has suspended the right to buy scheme. Following the buyout from the Housing Subsidy scheme, the Council has a policy of purchasing suitable former Council dwellings and returning them to Council housing stock. During 2017/18, 12 such properties were purchased. As at 31 March 2018, the number of dwellings totalled 3,803, with the split by type of dwelling made up as follows:-

	31 March 2018	31 March 2017
<b>Council Owned Stock</b>		
Houses	2,016	2,010
Bungalows	1,044	1,044
Flats	736	730
Bedsits	7	7
<b>Total Council Owned</b>	<b>3,803</b>	<b>3,791</b>

### NOTE 3 – HOUSING REVENUE ACCOUNT CAPITAL EXPENDITURE

	2017/18 £'000	2016/17 £'000
<b>Capital investment</b>		
Houses	9,291	8,606
<b>Sources of funding</b>		
Capital Receipts	(14)	(821)
Government grants and other contributions	(2,677)	(2,727)
Direct Revenue Financing	(6,600)	(5,058)
<b>Total</b>	<b>(9,291)</b>	<b>(8,606)</b>

The Major Repairs Allowance for 2017/18 of £2.659m was used in full during the year (£2.660m 2016/17).

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

	2017/18 Derecognition £'000	2017/18 Depreciation £'000	2017/18 Total £'000	2016/17 Derecognition £'000	2016/17 Depreciation £'000	2016/17 Total £'000
Land	-	-	-	-	-	-
Dwellings	7,582	2,812	10,394	6,884	3,594	10,478
Other Property - Operational Assets	-	258	258	-	255	255
	<b>7,582</b>	<b>3,070</b>	<b>10,652</b>	<b>6,884</b>	<b>3,849</b>	<b>10,733</b>

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

	2017/18 No. of Sales	2017/18 £'000	2016/17 No. of Sales	2016/17 £'000
<b>Council dwellings</b>				
Right to Buy	-	-	9	804
Discounts repaid	2	10	-	-
<b>Other Receipts</b>				
Land sales	2	4	1	17
Other property sales	-	-	-	-
Mortgage Property	-	-	-	-
		<b>14</b>		<b>821</b>
Less set aside		-		-
		<b>14</b>		<b>821</b>

## NOTE 6 – RENT ARREARS AND BAD AND DOUBTFUL DEBTS

During 2017/18, total rent arrears decreased by £0.050m. A summary of rent arrears and prepayments is shown in the following table:-

<b>Rent Arrears</b>	<b>2017/18 £'000</b>	<b>2016/17 £'000</b>
Current Tenant Arrears	394	456
Former Tenant Arrears	257	228
<b>Total Rent Arrears</b>	<b>651</b>	<b>684</b>
Prepayments	(186)	(169)
<b>Total Debt</b>	<b>465</b>	<b>515</b>

Allowance has been made in the Balance Sheet for bad and doubtful debts. These stood at £0.462m against rents (£0.506m in 2016/17).

## NOTE 7 – PENSION COSTS

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

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

<b>HRA Income and Expenditure Account</b>	<b>2017/18 £'000</b>	<b>2016/17 £'000</b>
Current Service Cost	(318)	(270)
Employer Contributions actually paid	318	270
<b>Contribution to Pension Reserve</b>	<b>-</b>	<b>-</b>

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

<b>RELATED PARTY DISCLOSURE - STAKEHOLDER REPRESENTATION WITH THIRD PARTY ORGANISATIONS</b>	
Age Concern Gwynedd and Anglesey	Jim Evans
Anglesey Access Group	Robert G Parry OBE FRAGS
Anglesey Agricultural Show	Kenneth P Hughes
Anglesey Community Health Council	Jeffrey M Evans
Anglesey and Gwynedd Safer Communities Partnership	Llinos Medi Huws
Anglesey CAB	Nicola Roberts
Anglesey Language Forum	R Meirion Jones, Ieuan Williams
Area of Outstanding Natural Beauty Joint Advisory Committee (Ynys Môn)	Lewis Davies, Richard Dew, Victor Hughes, Dafydd Roberts, Robin Wyn Williams, Eric Wyn Jones, Nicola Roberts
Betsi Cadwaladr Stakeholder Reference Group	Llinos Medi Huws
Carers' Champion	Robert G Parry OBE FRAGS
Champion for Adults Safeguarding	Llinos Medi Huws
Champion for Children in Care	Richard Griffiths
Champion for Diversity	Margaret Murley Roberts
Champion for Equality	Nicola Roberts
Champion for Members	Robert Llewelyn Jones
Champion for Scrutiny	Aled Morris Jones
Champion for the Armed Forces	Richard Dew
Children and Young People's Champion	Llinos Medi Huws
Community Health Council	Dylan Rees
Court of Governors, University of Wales, Bangor	R Meirion Jones
Cwmni CYNNAL AGM	Margaret Murley Roberts
Cwmni Fran Wen	Vaughan Hughes
CYNNAL Management Committee	R Meirion Jones, Dafydd Roberts
Destination Anglesey Partnership (DAP)	Richard Dew
Fostering Panel	Richard Griffiths
Grwp Llandrillo/Menai	R Meirion Jones
GwE Joint Committee	R Meirion Jones
Gwynedd & Anglesey Adoption Panel	Llinos Medi Huws
Gwynedd & Anglesey Youth Justices Service	Llinos Medi Huws
Gwynedd Liaison Committee (Superannuation Fund)	Hywel Eifion Jones
Gwynedd Pensions Fund Committee (Gwynedd Council)	John Griffith
Horizon Nuclear Project Liaison Group	John Griffith, Kenneth P Hughes, William Thomas Hughes, Llinos Medi Huws, Aled Morris Jones, Richard Owain Jones, Dafydd Rhys Thomas, Richard Griffiths
Isle of Anglesey Charitable Trust	R Meirion Jones
Joint Council for Wales	John Griffith, Dafydd Rhys Thomas
Joint Planning Policy Panel	Richard Dew
Local Education Authority	Gwilym O Jones
Medrwn Môn	Llinos Medi Huws
Member Board of the Consortium of Local Authorities in Wales (CLAW)	R Meirion Jones, Robert G Parry OBE FRAGS
Menter Môn	Ieuan Williams

<b>RELATED PARTY DISCLOSURE - STAKEHOLDER REPRESENTATION WITH THIRD PARTY ORGANISATIONS</b>	
National Eisteddfod Fund for Anglesey 1957	Jim Evans
North and Mid Wales Trunk Road Joint Committee	Victor Hughes, Robert G Parry OBE FRAGS
North Wales Adoption Panel	Jeffrey M Evans
North Wales Community Health Council (Anglesey Local Committee)	Richard Griffiths, Glyn Haynes, Dylan Rees
North Wales Economic Ambitions Board	Llinos Medi Huws
North Wales Fire and Rescue Authority	Lewis Davies, Jim Evans, Dylan Rees, Eric Wyn Jones
North Wales Fire and Rescue Authority Audit Committee	Jim Evans, Dylan Rees
North Wales Fire and Rescue Authority Executive Panel	Richard Griffiths, Eric Wyn Jones
North Wales Housing Association	Alun Wyn Mummery
North Wales Leadership Board	Llinos Medi Huws
North Wales Police and Crime Panel	Dylan Rees
North Wales Regional Waste Plan Review Steering Group	Robert G Parry OBE FRAGS
North Wales Residual Waste Treatment Joint Committee	Richard Dew, Robert G Parry OBE FRAGS
North Wales Safer Communities Board	Llinos Medi Huws
North Wales Tourism Partnership	Llinos Medi Huws
North Wales Valuation Tribunal (Joint Appointing Panel)	John Griffith
Older People's Champion	Robert Llewelyn Jones
Owen Lloyd, Penrhoslligwy Educational Trust	Vaughan Hughes
Pensions Committee (Gwynedd Council)	Hywel Eifion Jones
Public Service Board Anglesey and Gwynedd	Llinos Medi Huws
Regional Partnership Board	Llinos Medi Huws
Royal British Legion Association	Trefor Lloyd Hughes
SACRE	Bryan Owen
Sustainable Development Fund Partnership	Richard Dew
TALNET (Joint Bibliographic Society)	Richard Dew, Vaughan Hughes
The Harbour Trust, Caernarfon	Robert G Parry OBE FRAGS
Voluntary Sector Liaison Committee	Kenneth P Hughes, Llinos Medi Huws, R Meirion Jones, Alun Wyn Mummery, Gwilym O Jones
Welsh Local Government Association	Llinos Medi Huws, J Arwel Roberts, Ieuan Williams
Wylfa Site Stakeholder Group	John Griffith, Kenneth P Hughes, William Thomas Hughes, Llinos Medi Huws, Aled Morris Jones, Gwilym O Jones, Richard Owain Jones, Alwyn Rowlands, Richard Griffiths
Ynys Mon Island Games Association	Richard Owain Jones

Please note that Councillors Jim Evans, Jeff Evans, Hywel Eifion Jones, Victor Hughes and Alwyn Roberts included in this list did not represent the Council at these organisations beyond the election in May 2017. These individuals either chose not to stand for election or were not re-elected in May 2017.



# GLOSSARY

## ACCOUNTING PERIOD

This is the period of time covered by the accounts, normally a period of twelve months, commencing on 1 April. The end of the accounting period is the Balance Sheet date, usually 31 March of the following year.

## ACCRUALS

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

## ACTUARIAL GAINS AND LOSSES

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

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

## AGENCY SERVICES

These are the services provided by the Council to a third party on behalf of another organisation.

## APPROPRIATIONS

These are the amounts transferred between the Comprehensive Income and Expenditure Statement and revenue or capital reserves.

## ASSET

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

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

## AUDIT OF ACCOUNTS

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

## BALANCE SHEET

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

## BUDGET

The Budget is a statement of how much the Council has allocated to each service and function to spend or raise in income for the financial year.

## CAPITAL EXPENDITURE

Capital expenditure is expenditure on the purchase of a non-current asset, which will be used in providing services beyond the current financial year, or expenditure which adds to, and not merely maintains, the value of an existing non-current asset. Examples include: the building of a new school, the purchase of IT equipment, a major refurbishment of a care home.

## **CAPITAL FINANCING**

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

## **CAPITAL FINANCING COSTS**

Capital Financing costs are any additional costs arising from borrowing to fund capital projects. These tend to be interest payable on loans taken out and the Marginal Revenue Provision (MRP) charge on projects finance by borrowing. The MRP is the minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Council.

## **CAPITAL PROGRAMME**

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

## **CAPITAL RECEIPTS**

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

## **CASH AND CASH EQUIVALENTS**

This is cash-in-hand, cash overdrawn, cash held in bank accounts and short-term (for example three months) investments which are readily converted into known amounts of cash.

## **CASH FLOW STATEMENT**

The cash flow statement shows the changes in cash and cash equivalents of the Council during the financial year.

## **CIPFA**

This is The Chartered Institute of Public Finance and Accountancy, the lead professional and regulatory body for local Authority accounting.

## **COMMUNITY ASSETS**

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

## **COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT**

This is one of the main financial statements of the Council which records all the income and expenditure for the Council categorised on the basis of standard CIPFA requirements to enable comparisons to be made between authorities.

## **CONSISTENCY**

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

## **CONTINGENT ASSET**

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

## **CONTINGENT LIABILITY**

A contingent liability is either:-

- A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control; or

- A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

### **CORPORATE AND DEMOCRATIC CORE**

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

### **CREDITOR**

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

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

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

### **DEBTOR**

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

### **DEFINED BENEFIT PENSION SCHEME**

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

### **DEPRECIATION**

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

### **DISCRETIONARY BENEFITS (PENSIONS)**

These represent the retirement benefits, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Council's discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.

### **EVENTS AFTER THE BALANCE SHEET DATE**

Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Final Statement of Accounts is authorised for issue.

### **EXPECTED RETURN ON PENSION ASSETS**

For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

### **EXPENDITURE AND FUNDING ANALYSIS**

This statement aims to show how annual expenditure is used and funded from resources. The first column, the net expenditure chargeable to the General Fund and HRA balances, shows the true impact of the cost of providing services for the year excluding accounting adjustments.

### **FAIR VALUE**

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

**FINANCE LEASE**

A Finance Lease is one that transfers substantially all the risks and rewards of ownership of a non-current asset to the lessee.

**GOING CONCERN**

This represents the concept that the Statement of Accounts is prepared on the assumption that the Council will continue in operational existence for the foreseeable future.

**GOVERNMENT GRANTS**

Grants made by the government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Council. These grants may be specific to a particular scheme or may support the revenue spend of the Council in general.

**HERITAGE ASSETS**

An asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

**HOUSING BENEFITS**

A system of financial assistance to individuals towards certain housing costs administered by authorities and subsidised by central government.

**HOUSING REVENUE ACCOUNT (HRA)**

The HRA is a separate account to the Council Fund, and includes the income and expenditure arising from the provision of housing accommodation by the Council.

**IMPAIRMENT**

Impairment is a reduction in the value of a non-current asset to below its carrying amount on the Balance Sheet. This is usually due to an event which has substantially reduced the value of the asset for example, a fire or if an asset has become obsolete.

**INFRASTRUCTURE ASSETS**

Non-current assets belonging to the Council that cannot be transferred or sold, on which expenditure is only recoverable by the continued use of the asset created. Examples are highways, footpaths and bridges.

**INTANGIBLE ASSETS**

An intangible (non-physical) item may be defined as an asset when access to the future economic benefits it represents is controlled by the reporting entity. This Council's intangible assets comprise computer software licences.

**INTEREST COST (PENSIONS)**

For a defined benefit scheme, the expected increase during the financial year of the present value of the scheme liabilities because the benefits are one financial year closer to settlement.

**INVENTORIES**

Items of raw materials and stores a Council has procured and holds in expectation of future use. Examples are consumable stores, raw materials and work in progress.

**INVESTMENTS (PENSION FUND)**

The investments of the Pension Fund will be accounted for in the statements of that fund. However, authorities are also required to disclose, as part of the disclosure requirements relating to retirement benefits, the share of the pension scheme assets associated with their underlying obligations.

## **INTEREST RECEIVABLE OR PAYABLE**

The effective interest rate method is used to measure the carrying value of a financial asset or liability measured at cost less accumulated amortisation, and to allocate associated interest income or expense to the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to equal the amount at initial recognition. The effective interest is adjusted to the actual interest payment or receipt through the Movement in Reserves Statement to ensure only actual interest is charged to Council Tax.

For financial assets and liabilities carried at cost because the effective rate of interest is the same as the carrying rate of interest, the carrying value is adjusted for accrued interest.

## **LIABILITY**

A liability is where the Council owes payment to an individual or another organisation.

- A current liability is an amount which will become payable or could be called in within the next financial year, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which, by arrangement, is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

## **LIQUID RESOURCES**

Current asset investments that are readily disposable by the Council without disrupting its business and are either:-

- Readily convertible to known amounts of cash at, or close to, the carrying amount; or
- Traded in an active market.

## **LONG-TERM CONTRACT**

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which, together, constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into more than one financial year.

## **MATERIALITY**

The concept that the Statement of Accounts should include all amounts which, if omitted or mis-stated, could be expected to lead to a distortion of the financial statements and, ultimately, mislead a user of the accounts.

## **MINIMUM REVENUE PROVISION (MRP)**

The minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Council.

## **MOVEMENT IN RESERVES STATEMENT**

This statement shows the movement from the start of the year to the end of the year for all the usable reserves held by the Council which can be used to fund Council costs or reduce local taxation, and unusable reserves.

## **NET BOOK VALUE**

The amount at which non-current assets are included in the Balance Sheet, i.e. their historical costs or current value less the cumulative amounts provided for depreciation.

## **NET DEBT**

The Net Debt is the Council's borrowings less cash and liquid resources.

## **NET WORTH**

The Net Worth is the Council's value of total assets less total liabilities.

## **NON-DISTRIBUTED COSTS**

These are overheads for which there are no direct user benefits and, as such, are not apportioned to services.

**NON-DOMESTIC RATES (NDR)**

The Non-Domestic Rate is a levy on businesses based on a national rate in the pound set by the government and multiplied by the assessed rateable value of the premises they occupy. It is collected by the Council on behalf of central government and then redistributed back to support the cost of services.

**NON-OPERATIONAL ASSETS**

Non-current assets held by the Council but not directly occupied, used or consumed in the delivery of services. Examples are investment properties, assets under construction or assets surplus to requirements pending sale or redevelopment.

**OPERATING LEASE**

An Operating lease is where the ownership of the non-current asset remains with the lessor.

**OPERATIONAL ASSETS**

Non-current assets held and occupied, used or consumed by the Council in the pursuit of its strategy and in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

**PAST SERVICE COST (PENSIONS)**

For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to employee service in prior financial years arising in the current financial year as a result of the introduction of, or improvement to, retirement benefits.

**PENSION SCHEME LIABILITIES**

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measured during the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

**PRECEPT**

The levy made by precepting authorities on billing authorities, requiring the latter to collect income from Council Tax on their behalf.

**PRIOR YEAR ADJUSTMENT**

A Prior Year Adjustment is a material adjustment applicable to previous years arising from changes in accounting policy or from the correction of a fundamental error. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

**PROVISION**

An amount put aside in the accounts for future liabilities or losses which are certain, or very likely, to occur but the amounts or dates of when they will arise are uncertain.

**PUBLIC WORKS LOANS BOARD (PWLB)**

A Central Government Agency which provides loans for one year and/or more to authorities at interest rates only slightly higher than those at which the government can borrow itself.

**RATEABLE VALUE**

The annual assumed rental of a hereditament, which is used for NDR purposes.

**RELATED PARTIES**

There is a detailed definition of related parties in IAS 24. For the Council's purposes, related parties are deemed to include Central Government, Local Authorities and other bodies, either precepting or levying demands on the Council. Related Parties can also include subsidiary and associated companies, joint venture and joint venture parties and particularly Members and chief officers of the Council.

When considering who is a related party, regard is also taken of transactions involving members of the close family or household of any individual listed.

### **RELATED PARTY TRANSACTIONS**

The Statement of Recommended Practice requires the disclosure of any material transactions between the Council and related parties to ensure that stakeholders are aware when these transactions occur and the amount and implications of such.

### **REMUNERATION**

All sums paid to, or receivable by, an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

### **RESERVES**

Reserves are the accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Council. Some capital reserves, such as the Revaluation Reserve, cannot be used to meet current expenditure.

### **RESIDUAL VALUE**

The residual value of an asset is the net realisable value of an asset at the end of its useful life.

### **RETIREMENT BENEFITS**

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

### **REVENUE EXPENDITURE**

Revenue Expenditure represents the day-to-day expenses of providing services.

### **REVENUE EXPENDITURE FUNDED BY CAPITAL UNDER STATUTE (REFCUS)**

Expenditure which can be properly deferred (i.e. treated as capital in nature), but which does not result in, or remain matched with, a tangible asset. Examples of deferred charges are grants of a capital nature to voluntary organisations.

### **REVENUE SUPPORT GRANT**

A grant paid by Central Government to authorities, contributing towards the general cost of their services.

### **SUPPORTED BORROWING**

The Council borrows money to fund part of its capital programme. This borrowing is recognised by Central Government in its calculation of formula funding for the Council.

### **TEMPORARY BORROWING**

Money borrowed for a period of less than one year.

### **TRUST FUNDS**

Funds administered by the Council for such purposes as prizes, charities, specific projects and on behalf of minors.

### **UNSUPPORTED BORROWING**

The Council can borrow additional money to the borrowing supported by Government to finance its capital expenditure as long as it is affordable and sustainable. This power is governed by the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code, with which the Council fully complies.

**UNUSABLE RESERVES**

Unusable Reserves are those reserves used to absorb the differences between the outcome of applying proper accounting practices and the requirement of statutory arrangements for funding expenditure. Such reserves include the unrealised gains and losses in relation to revaluations of property, plant and equipment where the value only becomes available if the asset is sold.

**USABLE RESERVES**

Specific amounts set aside for future policy purposes or to cover contingencies. They can be used to fund expenditure or reduce taxation.

**USEFUL ECONOMIC LIFE (UEL)**

The period over which the Council will derive benefits from the use of a non-current asset.

**WORK IN PROGRESS (WIP)**

The cost of work performed on an uncompleted project at the Balance Sheet date.



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# **Annual Governance Statement 2017/2018**

## 1. INTRODUCTION

To demonstrate good governance, the Authority must show that it is complying with the core (and supporting) principles contained within the Framework for Delivering Good Governance in Local Government (2007) and addendum 2012, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE). The International Framework Good Governance in the Public Sector (2014) published an updated set of Principles. A revised Framework for Delivering Good Governance in Local Government (Wales) was published in 2016.

This statement has been prepared in accordance with those revised principles.

Aspects of the Council's governance arrangements have been strengthened and modernised in recent years across a number of governance themes, and these were then incorporated in the previous Corporate Plan for the authority which was adopted in January 2013 setting out its work up to and including 2017. A new Council plan has since been adopted in the autumn of 2017 and this places an emphasis on our governance structures to enable the outcomes of the plan to be delivered.

<http://www.anglesey.gov.uk/Journals/w/l/r/2017---2022-Plan-14-11.pdf>

In addition, over the last few years six key themes have been developed by staff and management to support our aims and objectives :-

1. **Professional and Well Run**
2. **Innovative, Ambitious and Outward Looking**
3. **Customer, Citizen and Community Focused**
4. **Valuing and Developing our People**
5. **Committed to Partnership**
6. **Achieving**

which can be aligned to the seven core principles in the new publication of good governance in the CIPFA/SOLACE framework. These are contained within 'Delivering Good Governance in Local Government (Wales) 2016' that have been adapted for local government purposes:

**Principle A.** Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

**Principle B.** Ensuring openness and comprehensive stakeholder engagement

**Principle C.** Defining outcomes in terms of sustainable economic, social, cultural and environmental benefits

**Principle D.** Determining the interventions necessary to optimise the achievement of the intended outcomes

**Principle E.** Developing the entity's capacity, including the capability of its leadership and the individuals within it

**Principle F.** Managing risks and performance through robust internal control and strong public financial management

**Principle G.** Implementing good practices in transparency, reporting, and audit to deliver effective accountability

We have sought within this Annual Governance Statement to show how all the above key themes and principles are central to all our endeavours during 2017/18

## 2. SCOPE OF RESPONSIBILITY

The Isle of Anglesey County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Council also has a duty under the Local Government (Wales) Measure 2009 to make arrangements to secure **continuous improvement** in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk together with adequate and effective financial management.

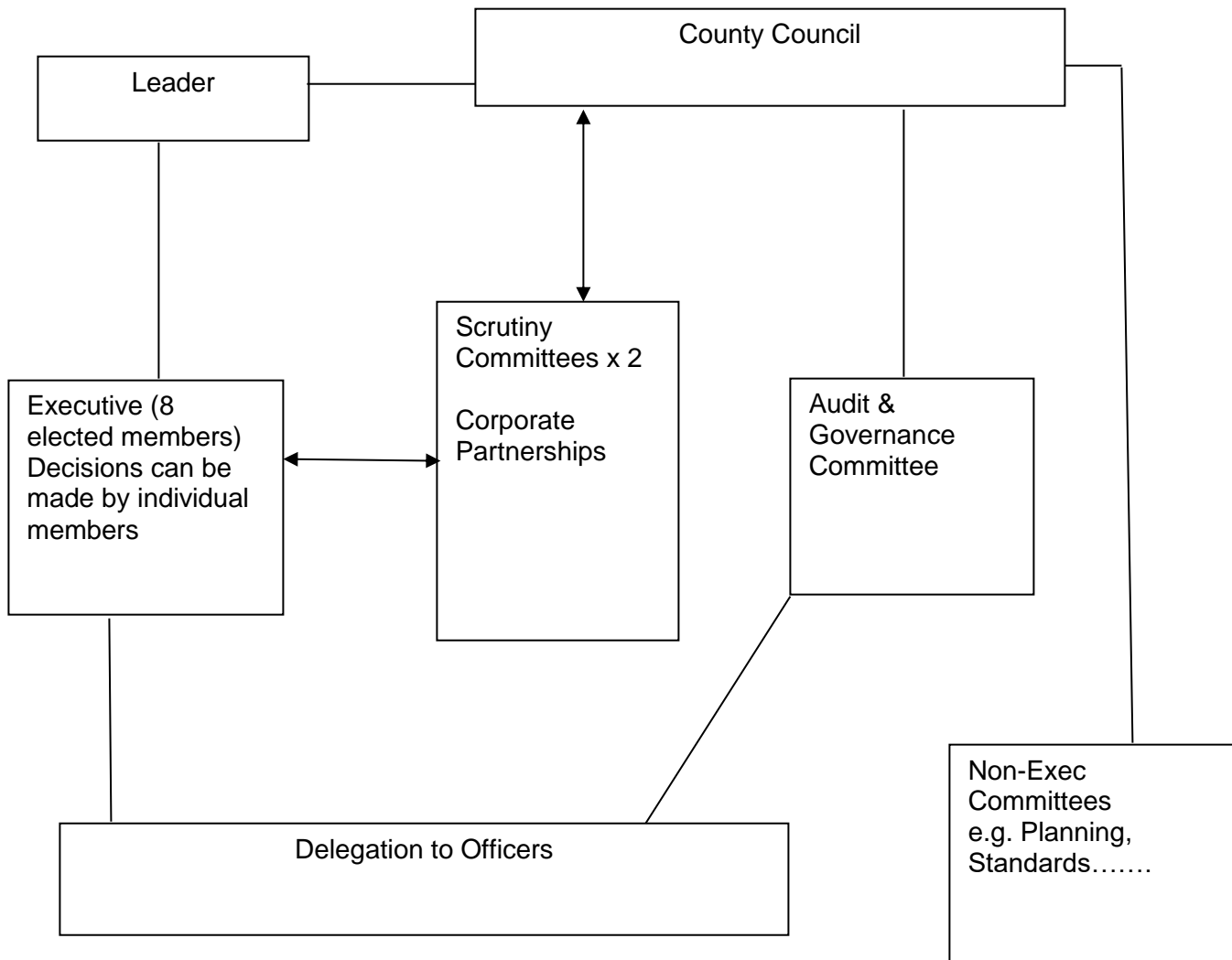
The Council has approved and adopted a local code of corporate governance that is consistent with the principles of the CIPFA/SOLACE Framework, Delivering Good Governance in Local Government. A copy of the local code is on our website at <http://www.anglesey.gov.uk/council-and-democracy/governance-and-performance>

This statement explains how the Council has complied with the code and meets the requirements of non-statutory proper practice encouraging the publication of an Annual Governance Statement. It also meets the requirement of regulation 4(2) of the Accounts and Audit (Wales) Regulations 2014 in relation to the publication of a statement on internal control.

## 3. THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems, processes and cultural values by which the authority is directed and controlled. It also guides the activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can only provide reasonable and not absolute assurance of effectiveness. A broad overview of structure of IoACC Political Management arrangements can pictorially be represented as follows –



The governance framework has been in place at the Council for the year ended 31 March 2018 and remains applicable up to the date of the approval of the Statement of Accounts. Where any new arrangements have been introduced during the year this has been noted.

#### 4. ANALYSIS OF THE GOVERNANCE FRAMEWORK 2017/18

The current framework as it relates to each of the seven Corporate Governance principles is described in the interlinked topics as outlined and available at <http://www.anglesey.gov.uk/council-and-democracy/governance-and-performance->

The following summary focuses on the work to develop and strengthen the framework and outlines areas of weakness identified during the 2017/18 financial year.

<b>Principle A</b>	<b>Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b>
<b>Related Key Theme:</b>	<b>Professional and well Run</b>
	<b>Assured</b> – The County Council has clear, transparent decision-making processes which incorporate strong ethical values and are lawful. The codes of conduct set out expectations for behaving with integrity.

The six key themes incorporated within the revised **Council Plan** for 2017-22 set out the Council's values and these are embedded in the Council's transformational activity and future vision for delivery. As a result, the Six Key Themes continue to underpin the corporate way of working and the importance of good governance is emphasised in the Council Plan.

There are a number of codes of conduct and protocols in place as part of the **Constitution** to ensure high standards of conduct and behaviour. There is a Policy for the Prevention of Fraud and Corruption in the Constitution with subsidiary plans in place. This includes the Officers' Code of Conduct, which is statutory. Local Guidance has now been published and circulated to all staff.

The **Monitoring Officer** acts as the lead officer for the **Standards Committee** (SC), with seven of its nine members external appointments, and the remainder being Elected Members. The Committee develops and supports independence and objectivity rather than political governance and achieves this in the following ways:-

- Chairman's Annual Report to Council
- Work Programme approved annually by the Council
- Four quarterly meetings and as many extraordinary meetings as are necessary to deal with referrals from the PSOW and applications for dispensations
- Dealing with any matters referred under the Local Resolution Protocol
- Dealing with any Public Services Ombudsman Wales local view requests
- Training and development arranged by the SC and/or undertaken by the SC. This year the SC focused on the development of the new intake of Councillors elected in the May 2017, local elections.

To supplement training for Members, briefing notes have been published on the following subject areas:-

- Local Council Housing Allocations (Currently under revision to reflect the new Allocations Policy)
- Section 25 Localism Act 2011
- Public Procurement
- (Currently under revision to reflect the new Contract Procedure Rules)
- Political Freedom of Speech v Code of Conduct
- Gifts and Hospitality
- Dispensations
- Standards Committee Forum

The reports packs and minutes of the Standards Committee can be found using the below link:-

<http://democracy.anglesey.gov.uk/ieListMeetings.aspx?CId=148&Year=0&LLL=0>

An annual review of the three **Registers of Members' interests** are completed each year following which its findings are published and an advisory note is sent to all Members. This year the independent Members of the Committee who undertook the review have also contacted each elected Member direct about any specific issues relating to their registration of interests. Written feedback to individual Councillors will now also be provided for the first time but as the SC also has responsibilities for Community Councillors; the focus of the registers this year will be to undertake sample audits of declarations of interest at Community Council meetings. This process will be carried out on a risk-based approach.

There is joint working between the Council's two management teams. The Penaethiaid (Heads of Service) meetings and members of the Senior Leadership Team who act as link officers with Penaethiaid (Heads of Service) to ensure clear communication on how strategic/corporate priorities are being implemented within Services. This helps cascade corporate standards and decisions to help achieve a professional and well-run authority.

Ynys Môn and Gwynedd have undertaken a joint recruitment process to replace our independent members of the Audit and Governance Committee, now that the previous term of office has ended.

During 2017/18 Internal Audit continued to operate to the standards set out in the 'Code of Practice for Internal Audit in Local Government in the United Kingdom, 2006' produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) during 2014/15. The Terms of Reference define the purpose, authority and responsibility of the internal audit activity, which is led by the Head of Audit & Risk. An external assessment of the Council's Internal Audit Service conducted in March 2017, provided assurance that the service 'Generally Conforms' with the standards. This is the top assessment available to the assessor. The external assessor raised seven areas of improvement for consideration. Six of these have been fully addressed which leaves one remaining issue, that is, to develop an audit assurance framework. This will be addressed with the implementation of the new risk management software (4Risk) in 2018.

<b>Principle B:</b>	<b>Ensuring openness and comprehensive stakeholder engagement</b>
<b>Related Key Theme:</b>	<b>Customer, Citizen and Community Focused</b> <b>Assured</b> – The Council exists to serve its residents and is dependent on a wide variety of stakeholders for working effectively in partnership. Engagement and consultation mechanisms are in place.

All **Executive** and Council meetings are held in public (with the exception of exempt items) and all papers are published on the Council website. All reports to committees are accompanied with a cover report, which details a summary of the report, the recommendations seeking approval and a rationale for why that recommendation has been made, in order to show the reasoning and evidence for decisions.

A Combined **Forward Work Programme** for the Executive and Scrutiny Committees is publicly available and published on the Council's website. There are clear timescales for the submission, publication and distribution of reports.

As in previous years and in the current financial climate the Council recognises that it needs to work closely with its key partners in this area of work to avoid duplication and utilise its resources effectively.

There is evidence of good engagement practice at service level which demonstrates how the Council shares its decisions, and there is a growing culture of trust and understanding with its citizens e.g.

- Consultation on the Budget
- Primary School Modernisation programme
- Housing Strategy Consultation Programme
- Older Adults Social Care transformation programme and decision
- Wellbeing consultation

However, the Council recognises that there is always room for further improvement in widening the cohort of citizens who actively engage (including hard to reach groups). As a result, Senior Officers have now recognised the opportunities to create a standardised and simplified process for engagement across the public and third sector.

Building on the success of the Seiriol pilot project in and around Beaumaris, a new **community engagement model** was used as a baseline to improve a Corporate approach to community engagement. This model is essential in order to identify those communities and groupings that will have an interest in taking over responsibilities for delivery of local type needs in their communities. The model has since its inception been tailored for use in different engagement and consultation work. This model has been signed off by the revised **Engagement & Consultation Board** led by an Assistant Chief Executive.

The Engagement and Consultation Board provides a cross Council approach to engagement and stakeholder involvement which reduces duplication, ensures a collective approach to engagement and improves our area-based intelligence as a Council.

The **Public Services Boards** for Gwynedd and Ynys Môn local authority areas became a statutory body under the Well-being of Future Generations (Wales) Act 2015. The PSB agreed to work collaboratively with the Board set up for the Gwynedd local authority area and a Joint PSB has been established for Gwynedd a Môn. The Board has met regularly during the 17/18 financial year and during this time the PSB has led on the work of producing the Assessment of Local Well-being for the area and consulted upon the local well-being plan prior to the end of the 17/18 financial year.

To assist the Council to contribute to its theme of achieving '*excellent customer, citizen and community focus*' (6 Key Themes), a **Customer Service Excellence** Project has been established. It contributes towards transforming the way the Council interacts with its customers to provide cost effective and timely services through efficient, demand led and self-service access channels.



A **Customer Service Excellence Charter** has now been operational since December, 2014 following consultation with front line stakeholder groups, officers, Elected Members, staff and trade unions. The Charter outlines our promises to the customer on how we will deal with their requests. It also outlines the expectations we have of our service users to ensure that a clear understanding is established at the outset. The values embraced in the Charter include 'putting the customer first' and demonstrating a 'can do' attitude. In accordance with its language policy, the Council is committed to ensuring that service provision is available in the chosen language of the service user (Welsh or English).

As part of the work commissioned by the Customer Service Excellence Board a mystery shop was undertaken during 16/17 looking at how well and efficiently services dealt with customer interaction. This piece of work concluded that –

“Overall the standard of Customer Care within Anglesey Council has improved since the last audit, however there is still room for improvement” and recommendations put forward are tracked and realised as part of the Boards remit.

A **webcasting** pilot funded by Welsh Government grant was undertaken in June 2014 that demonstrated a positive example of how Anglesey has progressed its customer / citizen focused electronic approach by webcasting Executive, Planning & Orders and Council meetings. This continues to be the case and it also adds to the transparency of decision- making and involves a much wider audience for debates. This is an effective example of the channel shift agenda and the Council's continuous drive to address democratic renewal.

A **staff survey** was undertaken during the winter of 2016/2017 and the results have been used to inform varying agendas across the council. The results of the survey were encouraging, showing that the council had made significant strides in terms of informing, listening to and supporting our workforce. A further survey is planned for 2018/19

Arrangements are in place to engage with Welsh Government, External Audit, other regulators and WLGA on a regular basis. These have been significantly strengthened over the last few years and have been sustained under our new Administration (elected May 2017) as part of the continuing governance arrangements.

Work continues on refining the **Internal Communication Framework**. We value the views and opinions of staff and Members in contributing to the agenda. Opportunities have been provided through a range of fora in which staff and members have been encouraged to actively participate. A cohort of future leaders recognised amongst staff have been proactive in critiquing current arrangements and proposing future improvements. For Members, regular informal briefing sessions have been held on a range of subjects. This enables them to better understand specific areas of work and allows them to prepare for informed scrutiny and decision-making. For the 18/19 Council year, there is a full and varied agenda for the monthly briefing sessions.

Annual reports on their work were published by Scrutiny as well as the Standards and Audit Committees. From June 2014, individual Elected Members have also published annual reports.

There are longstanding arrangements for engaging with employees: with Trade Unions through the Local Joint Consultative Committee and less formal meetings, and communication with staff generally through e.g. monthly staff bulletins. Managers and staff have been consulted and involved in a number of decision-making matters as part of the developing agenda.

A **Concerns and Complaints Policy** is operational and provides an emphasis on; Customer Care, the systematic recording of all concerns, early resolution, and the demonstration of lessons learnt and the implementation of improvements. The Policy is based on that of the Public Services Ombudsman for Wales as required by the Welsh Government.

Statistical information about service complaints are published monthly on the Council’s website and form part of an annual report to the Audit Committee which also deals any complaints dealt with under the Whistleblowing Policy.

<b>Principle C:</b>  <b>Related Key Theme:</b>	<b>Defining outcomes in terms of sustainable economic, social, cultural and environmental benefits</b>
	<b>Customer, Citizen and Community Focused Committed to Partnership; Achieving</b>
<b>Assured – The County Council works with communities to plan outcomes. In setting policies and strategies, the County Council take a long term view about outcomes, taking into account sustainable economic, social, cultural and environmental benefits.</b>	

The Council’s newly adopted Plan 2017-22 (September 2017) now guides the work of the Council and provided certainty of direction for the local area during 2017/18.

It is a Plan which describes priorities succinctly and clearly and explains how the priorities reflect the views of the citizen and is aligned to the ever developing medium term financial plan. This highlights the resources which are required to realise the current council plan. The Council Plan provides the framework that helps shape budgets, and against which the Authority can assess and account to the community on the level of progress made against targets set, and inform them about areas for further improvement. A **Medium Term Financial Strategy** is also reviewed annually, in line with the corporate priorities.

All services also produce an annual **Service Delivery Plan** that shows clearly how they contribute towards achieving our corporate priorities. All service plans contain measures to evidence how actions will make a difference. As indicated, service plans are reviewed annually and are also subject to regular monitoring through the production of a quarterly scorecard – which looks at how services are delivering on the priorities in their plan. The scorecard is reported to the Senior Leadership Team, Scrutiny and The Executive.

Services are also subject to six monthly **service reviews** – looking specifically at the budget and spending in June and on performance and outcomes in November. Members of the Senior Leadership team and elected members rigorously challenge service performance at the service review sessions, and actions to address issues or improve performance against set targets are agreed.

Partnership and collaboration is integral to the way the Council seeks to achieve its ambitions and its corporate agenda. For a 'small' Council it is an important means of building capacity and is fundamental to our approach of achieving shared priorities. We believe that successful partnership working is essential to the delivery of better services to our customers and a successful Anglesey. Improving the well-being of our citizens under the new legislation, will increasingly depend on our working in partnership with others.

The Council actively engages in a number of strategic partnerships at national, regional and local level. The criteria and reasoning for entering into partnerships has been reviewed recently as part of the partnerships policy and guidance, and still stands.

The Anglesey **Energy Island Programme** (EIP) is an economic development programme, established in 2010 by the Isle of Anglesey County Council as a result of major employers' closures / job losses (e.g. Anglesey Aluminium). It aims to attract and de-risk strategic major strategic investment, influencing potential developers, whilst enabling the economy, people and businesses to capitalise.

The EIP has brought together public, private and third sector partners in collaboration to achieve our vision - "To establish Anglesey and North Wales as a world-renowned centre of excellence for Research & Development, Production and Servicing of Low Carbon Energy creating a once-in-a-lifetime opportunity for jobs, economic growth and prosperity through capitalising on a number of transformational projects on Anglesey".

The Programme collaborates with a number of key stakeholders. As some of these are private sector partners; engaging in multi-billion pound developments, customer focus is paramount in order to gain the credibility and trust of companies through helping de-risk their very substantial investments and presenting a 'seamless' join in terms of public sector engagement and support. It has called for true partnership working with the UK and Welsh Government Ministers and Senior Officials, other North Wales Local Authorities, Further and Higher Education, Skills providers, the supply chain and the Third Sector.

The EIP brand is now recognised far and wide, and the success of the Programme is acknowledged and identified as good practice in terms of the seamless join of public and private sector engagement and success, with many people asking how the Governance of the Programme works – and even Hitachi in Japan having been in touch.

Anglesey Social Services are committed to partnership working on both a local, sub regional, regional and national basis in order to deliver outcomes which are of benefit to citizens and communities. This has been recognised as a strength in external inspection reports for us to build on. Both Children and Adult Services remain actively involved in the All Wales and the North Wales agendas to improve the delivery of social services through a collaborative approach.

Governance arrangements are in place via the **North Wales Social Care and Wellbeing Improvement Collaborative (NWSWIC) and the Regional Partnership Board**. NWSWIC has in place a comprehensive programme of improvement through collaboration focused on the requirements under Part 9 of the **Social Services and Wellbeing (Wales) Act 2014**. This partnership ethos can be further evidenced through the collaboration of the Council's Social Services with BCUHB via the Integrated Delivery Board (IDB).

The **Welsh language** is central to the life of the island of Anglesey and is part of its rich cultural heritage. To promote the Welsh Language strategically at a community level, the Council has established a [Language Forum](#) in collaboration with its key partners. Its role includes identifying opportunities for collaborative projects, assisting to assess the impact of large scale economic projects on the Welsh Language and scrutinising the work of the Council in promoting language issues.

The Council has adopted a **Welsh Language strategy** with the aim of increasing the use of the welsh language within our communities to 60% by 2021. This together with meeting the expectations of the welsh language standards provides a robust framework for the future partnership work to embed the use of Welsh across services and provision within communities.

<b>Principle D:</b>	<b>Determining the interventions necessary to optimise the achievement of the intended outcomes</b>
<b>Related Key Theme:</b>	Innovative, Ambitious and Outward Looking
	<b>Assured</b> – The County Council takes decisions on interventions based on its clear vision for services, engaging with communities, regulators and practical expertise of professional service officers. This combination leads to optimizing the achievement of intended outcomes.

Anglesey County Council has an approved **Constitution** that sets out clearly how the Council operates and how decisions are made and procedures need to be followed to ensure efficiency transparency and accountability.

The arrangements for delegation of Executive decisions to individual Members are now well established across the Authority following guidance that was reissued in August 2013.

Members and the public have had the full benefit of access to committee papers and supporting information for a number of years. Members also continue to enjoy direct access to this electronic system during meetings as they now have all been issued with tablet / laptops.

**Policy approval and decision-making** is undertaken by Elected Members, the meetings of which are open to the public except where exempt matters are being discussed under Schedule 12A Local Government Act 1972.

The Council meets a minimum of four times a year. It approves overall policies and sets the budget each year. The Council agrees the form of the Authority’s Committees (in accordance with the provisions of the Local Government (Wales) Measure 2011 where appropriate), appoints the Leader of the Council (who in turn appoints the Council’s Executive) and carries out all other functions assigned to it under the Constitution.

Political governance within the authority has been embedded since the last elections and a cross-party ruling group of 21 members now lead the Council. Specific changes were made to the constitution, such as the introduction of a four / five year term for the Leader of the Council, which has enabled political stability.

These foundations have created a structure which allows for effective political governance. The evidence from the last few years demonstrates a functioning and effective decision-making process, with appropriate mechanisms for assurance and improved performance.

The approach incorporates **Council, the Executive, the Audit Committee, Democratic Services Committee, Planning & Licensing, Scrutiny, and the Standards Committee.**

The **Council** has responsibility for the policy and budget framework. Key governance reports are matters for Council, and Council agree the annual revenue and capital budget.

The **Executive** is the key decision-making body and consists of the Leader (who takes the Social Services portfolio) and eight further Portfolio Holders, which take responsibility for the following portfolios:-

- Education, Libraries, Youth & Culture
- Planning and Public Protection
- Service Transformation & Welsh Language
- Finance
- Corporate
- Highways, Property and Waste Management
- Major Projects & Economic Development
- Housing & Supporting Communities

The membership of the Executive has been revised following the election (May 2017) and its growing effectiveness is starting to become evident. Where appropriate, the Executive can delegate decision-making powers to the relevant Portfolio Holder(s).

**The Audit and Governance Committee** is a key component of the authority's governance framework. The committee has two lay co-opted Members which serves to widen its independent knowledge and experience base. These new appointments have been appointed for the term of the current Council.

The Committee provides independent assurance to the Council and its statutory officers on; the adequacy of the governance and risk management frameworks, the internal control environment, and the integrity of the financial reporting. By overseeing internal and external audit and other regulators it makes an important contribution to ensuring that effective assurance arrangements are in place.

The Committee undertakes an annual self-assessment on its performance which informs its forward work plan.

The **Democratic Services Committee** meets on a quarterly basis and is responsible for reviewing the adequacy and support for Members which covers; Member development, staffing resources, facilities. The Chair of the Committee has been issued with a specific job description, and members of the Committee have a separate job description setting out roles and responsibilities. The Chair also acts as the Member Development Champion and participates in WLGA network meetings where best practice is shared.

The Committee has developed an annual work programme and the Chair reports annually to Council's Annual General Meeting (AGM), including a report on the Member Development Plan. Themes associated with the WLGA Member Development Charter form an integral part of its work, including Member development.

There are two **Scrutiny Committees**; one concerned with the internal working of the Council – *Corporate Scrutiny*, and the second concerned with external partnerships and the impact of the Council on its communities – *Partnership & Regeneration Scrutiny*. These two committees have enabled Members to take a more holistic and corporate view of the Council, its role and impact. Members represent Scrutiny on various internal Boards and review groups, the purpose of this being to promote inclusion, add value to the discussion and to report back to their Scrutiny Committee on progress and to raise areas which may require formal Scrutiny.

The focus of the **Corporate Scrutiny Committee** on performance has supported the cultural change and contributed significantly to improved governance and performance.

**The Partnerships & Regeneration Scrutiny Committee** has an important and essential role in reviewing our partnership arrangements and activity, and are closing the democratic deficit that partnerships have been criticised for. Over the past two years, they have led the formulation of a partnerships register, terms of reference and governance expectations resulting from partnership arrangements.

During 2016/17 the Council commissioned an external review of our scrutiny arrangements in order to make recommendations for consideration by our new Council. The review highlighted the need for a new vision for scrutiny to be adopted and greater focus given on how the scrutiny function can add value to the governance of the Council with greater emphasis on forward work planning and prioritisation.

As a result, the Council has now established three standing panels of scrutiny which will focus on –

1. Improvements in Education Standards
2. Financial Scrutiny
3. The Scrutiny of Children's Social Care

Members of the Corporate Scrutiny Committee hold briefing meetings in advance of every committee in order to prepare and focus discussion at the formal meetings of the committee. This is regarded as good practice and it is intended to continue with these arrangements in 2018-2019.

The work of the Corporate Scrutiny Committee can be summarised into four main themes:-

- Service Performance
- Budget setting and in year performance
- Annual reports (social services and libraries)
- Transformation proposals

The work of the Partnership and Regeneration Scrutiny Committee can be summarised into four main themes:-

- Partnerships Performance
- Economic regeneration and the Energy Island concept (or successor plans and policies)
- Crime and Disorder matters
- To deal with any matter that is unable to be considered by the Corporate Scrutiny Committee

Members represent Scrutiny on various internal Boards and review groups, the purpose of this being to promote inclusion, add value to the discussion and to report back to their Scrutiny Committee on progress and to raise areas which may require formal Scrutiny. Each of the two Scrutiny Committees reports their activity to the Council at its annual meeting.

In order to drive the change agenda and deliver the Council's Plan, a Programme Management framework is in operation.

Two **Corporate Transformation Programme Boards** have now been re-established post May 2017 elections –

1. Business Processes and Governance Transformation Board, and
2. Service, Community and Partnerships Improvement Board

These have an overview of a number of high priority projects which the Council is committed to achieving and are responsible for setting a direction for them.

Each of the Corporate Transformation Boards includes representatives of both Scrutiny Committees and the Executive, providing an opportunity to identify areas where the Members' role can add value either on the Boards themselves or through the Scrutiny process. In the recent past, managers were given the opportunity to become members in order to increase the challenge and corporate awareness by communicating the key messages within their services.

The corporate method of managing projects and programmes is maturing year on year as a result of strengthening our Governance arrangements. Welsh Government has identified good practice in some of our programmes and other projects and programmes have gained national success and UK wide recognition over the past 12 months.

<b>Principle E:</b>	<b>Developing the entity’s capacity, including the capability of its leadership and the individuals within it</b>
<b>Related KeyTheme:</b>	<b>Valuing and Developing our People</b>
Public sector entities need appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. The governing body must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that an entity’s management has the operational capacity for the entity as a whole. Because both individuals and the environment in which an entity operates will change over time, there will be a continuous need to develop the entity’s capacity as well as the skills and experience of the leadership of individual staff members.	

The Council has achieved the **WLGA Charter for Member Support** in recognition of the work that we have undertaken to provide a high standard of support to Members to undertake their diversity of roles ranging from that of community leader, to their special responsibilities within the Council.

In addition, a number of Members have undertaken professional development reviews (PDR’s) and training needs have been identified from these. Whilst still in its infancy at Anglesey, such a development is seen as key to enabling Members to be more effective in their role. This has now been extended to include independent Members of the Standards Committee whose performance and objectives are reviewed by the Standards Committee Chair. During 2017/18, this practice continued to be further embedded. Member training is monitored by the Council’s Democratic Services Committee.

The Council has continued over the past 12 months to use the now well-established all-member briefing sessions on major developments / key strategies and budget proposals. This has proved useful in increasing the wider appreciation and understanding of different initiatives prior to further debates and scrutiny in public forums.

The Council’s **People Strategy** was reviewed independently in 2016. That independent review confirmed that the strategy remained “fit for purpose” to take the Council forward to 2020 as it continues to support the Council’s vision and provides a framework for moving our people management forward.

The People Strategy has five key priorities:

- Recruiting and retaining the best (innovative, ambitious and outward looking)
- Inspiring service excellence (customer/citizen and community focused)
- Building Organisational effectiveness (professional and well run)
- Engaging, developing and managing our Talent (valuing and developing our people)
- Developing the skills and capacity of our workforce (valuing and developing our people)



There is a lively Middle Managers forum and the **Ignite Club** provides inspirational learning sessions which are open to all staff. Due to decreasing number of attendees, it is acknowledged that during 2018/19 there will be a need to refocus on the Terms of Reference / alignment of the Ignite Club with other activities and timings of scheduled meetings. As part of the activity on the Corporate Plan and staff engagement activity, individuals across the authority have been given an opportunity to work on corporate projects and strategies.

The **staff awards ceremony** continues apace and recognises, celebrates and promotes the achievements of Council staff. Every day our staff work hard to deliver public services for the people of Anglesey, and the staff awards are an opportunity to showcase good work and demonstrate how much we value our people. There are six categories of award which mirror the '*Six Key Themes*'. During 2017 the ceremony was expanded to include staff recognition to those who have gained a professional qualification and to present long service awards.

The implementation of the 2016 staff survey was led by the Assistant Chief Executive. The results of which are published via Monitor (April 2017) and demonstrate that –

- 90% of staff enjoy their work with
- 95% knowing what's expected of them and of those who responded
- 53% feel valued by the Council (this is in-keeping with the results of 2013).

However, there appears to be a decreasing understanding amongst our staff of what's happening corporately with only 34% feeling well-informed about what's going on in the Council on the whole.

Additional comments from the survey were also collected by 193 respondents informing the organisation of where more work needs to be done. The Senior Leadership at the time of writing this report is considering its response to these issues and what needs to be done in order to improve our collective understanding of what's happening corporately. A demonstration of this is the way by which the Chief Executive has led the staff sessions (12 in all) presenting to the expectations of the proposed corporate plan.

The Council has a strategic **Equalities Plan 2016-2020** adopted by the Executive which highlights our commitment to equality, both in the provision of services and as a major employer, and to the elimination of unfair and unlawful discrimination in all our policies, procedures and practices. Progress on its key priorities are included in its annual monitoring report to the Equalities Commission and the Council is a key member of the North Wales Equalities network.

Internal engagement is essential in developing a 'Team Môn' culture and there is a need to further refine **Internal Communication Framework** to enable and secure a greater level of participation from Officers at all levels within the Council. The views and opinions of staff and Members in contributing to the corporate agenda are welcomed and valued. Current opportunities include:-

- Monthly Penaethiaid meetings
- Quarterly Managers Conference
- Ignite Club / Clwb Sbardun
- Member Briefing Sessions
- Thematic Workshops (i.e. budget)
- Service Management Meetings
- Annual Service Reviews
- Team Meetings
- One to One Supervisions
- Employee appraisals
- Staff suggestion schemes
- Use of Y Ddolen to keep abreast of corporate initiatives
- Use of Medra Mon as a newsletter

Whilst corporate internal communication has improved significantly under the leadership of the SLT – it is still felt that the SLT needs to improve its visibility and communication methods with staff below Management and with those staff located outside the Council HQ through new technologies, social media and face-to-face.

The regular informal briefing sessions for Members (outlined previously) enables a better understanding of specific work areas and allows them to prepare for informed scrutiny and decision-making.

We are a fully bi-lingual Council and a high proportion of our staff and most Members are first language Welsh speakers. All corporate communications, therefore, are produced bi-lingually, providing staff and Members with the ability to communicate in the language of their choice. Non-fluent Welsh speakers are supported to improve their Welsh language skills in an inclusive environment.

<b>Principle F:</b>	<b>Managing risks and performance through robust internal control and strong public financial management</b>
<b>Related KeyTheme:</b>	<b>Professional and Well Run</b>

The governing bodies of public sector entities need to ensure that the entities they oversee have implemented and can sustain an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving an entity's outcomes.

The **Risk Management Policy** was adopted by the Executive on 26th May 2015 and both the Policy and associated guidance have been uploaded to Monitor (the council's intranet). The key objectives of the Council's risk management policy are to:-

1. Develop a consistent approach to risk management across the Council.
2. Embed risk management as an integral part of the management process within the Council, and ensure clear links with Service Plans.
3. Ensure a proactive risk aware culture across all parts of the Council, where risk is taken (and not taken) knowledgeably in all major decisions and actions.
4. Maintain and improve customer confidence in our ability to deliver on our commitments.
5. Reduce the possibility of unplanned activity or financial costs, and the impact of such surprises on the Council's reputation and ability to deliver our objectives.
6. Manage risk in accordance with best practice, statutory obligations and the Wales Programme for Improvement.
7. Work with our partners and providers to develop a common approach to achieving these risk management objectives.

The Risk Management Policy and Framework were reviewed on 5 December 2017 by the Audit and Governance Committee and Senior Leadership Team (SLT). The review concluded that while work remains to be done to fully embed risk management throughout the Council, progress has been made and is continuing. These documents align the Risk Management and Performance Management frameworks.

SLT review the **Corporate Risk Register** on a quarterly basis. Services are expected to update their risk registers quarterly with any "red" or "amber" risks escalated to SLT to be considered for inclusion on the Corporate Risk Register.

During 2017/18 the Audit and Governance Committee have been presented with two updates on the Corporate Risk Register (21 June 2017 and 13 February 2018). At both meetings it was resolved that the Audit and Governance "Committee takes assurance that the risks to the Council's aims and objectives are being recognised and managed by the Senior Leadership Team". During the year work has been on-going on the management of Partnership risks.

A Performance Management Framework is in place which starts with the medium-term Corporate Plan (the current plan is for the period 2017/2022 as mentioned above) and each subsequent year with an Annual Delivery Plan. These set out what the key priorities of the council are and what it hopes to achieve. The framework also include performance management reports to identify whether the Council is achieving its planned objectives. These reports include quarterly scorecards, half-yearly challenges to Services and regular reports to the Executive and to Scrutiny. The final Scorecard for 2017/18 relating to Quarter 4 was reported to the Executive on 18 June 2018. This highlighted that it was encouraging to note that the majority of Council's indicators performed well against their targets. The report acknowledged an embedded mindset within the council to continuously improve, despite another challenging year for the public sector. The report highlights areas, which the Council should target for improvement going forward in relation to: Children and Families Service, Adults Service, Learning, sickness and complaints.

The Performance Framework continues to evolve and to focus on self-assessment by Heads of Service, and on the key areas of risk and transformation. It is also focusing on improvements to reporting of workforce and financial information. During 2017, a series of Service Reviews was undertaken which covered -

- (i) Efficiencies and Service Budgets (June-July 2017)
- (ii) Performance (November-December 2017)

Whilst we have established strong approaches to ensuring effective governance for new partnerships, governance arrangements for some of the more historical partnership arrangements require strengthening.

An Annual Performance Report, accounting for performance and benchmark with other Authorities is published by 31st October each year. The most recent Annual Performance Report relates to 2016/17 which was completed in 2017/18 and can be found following the below link.

<http://democracy.anglesey.gov.uk/documents/g3116/Public%20reports%20pack%2030th-Oct-2017%2010.00%20The%20Executive.pdf?T=10&LLL=0>

The Annual Performance Plan for 2017/18 will be published in October 2018.

The Executive approved the **Medium Term Financial Plan (MTFP)** for the period 2017/18 to 2019/20 in September 2016. The MTFP identified the potential savings required over the three-year period and set the strategy for the 2017/18 budget. The annual budget was approved by the full Council at its meeting of the 28<sup>th</sup> February 2017. The requirement to implement budget cuts and efficiencies was a pivotal part of the budget setting, with an in-year savings target of £2.444m being required to balance the budget. The MTFP was updated at this point, following the completion of the 2017/18 budget, and identified that future budget reductions would range from £3.2m (optimistic scenario) to £8.8m (worst case scenario). The updated plan identifies the continued need to focus on budget reductions and identifying further efficiencies over the next three years in order to ensure the future financial stability of the Council.

The Budget Planning Process was undertaken from May 2016 to February 2017. This Included consultation with statutory groups, including the Schools Forum, Town and Community Councils and businesses, as well as other stakeholders such as Llais Ni and the Older Persons Forum . This also included an extensive public consultation process. The comments made during the consultation process were considered by the Executive as they drew up their final budget proposals and it did result in some budget proposals being withdrawn or amended.

The Council has continued to develop and embed structures, systems, processes and supporting arrangements to ensure that they support the demands of a 21<sup>st</sup> Century Local Authority. Formal arrangements are in place for the management of performance, finance, programmes and contracts, which contribute to the upholding of key elements of governance.

**Quarterly financial reports** (Revenue and Capital) were made to the Executive during 2017/18 which included a budget against actual measurement as well as a forecast of the position at the year end, which also covers a range of financial information and plan with corrective measures to bring the budgets back under control if required. The final financial performance for the year 2017/18 was broadly in line with the forecast performance in the quarterly reports. Both the forecasts and actual year-end financial position highlighted significant budgetary pressures arising from increased demand for statutory Children's Services and Learning. This information has been used for future planning and budgeting including consideration of different delivery approaches such as increased preventative support and increasing provision on the Island.

The Council's Treasury Management arrangements follow professional practice and are subject to regular review by the Audit & Governance Committee, the Executive and the Full Council.

Internal Audit's self-assessment against the Public Sector Internal Audit Standards (PSIAS) shows that, the service is being delivered to the required standard. Areas for further improvement are documented in an action plan, which will be shared with the Audit and Governance Committee in June 2018 as part of the review process for agreeing the Final AGS.

The External Audit Findings Report for 2016/17 was presented to the Audit and Governance Committee on 21 September 2017 and Full Council on 26 September 2017, reflecting that the prepared accounts represented a true and fair view. There were three accounting corrections highlighted in the audit report. During the closure period adjustments had the impact of reducing the Council General Balance by £342k. There were no unadjusted misstatements which required restatement for Members to consider. An unqualified opinion was given in respect of both the statement of accounts and the value for money opinion. This means that there were no major concerns raised about the accounts. The action plan set out eight recommendations in relation to accounting and payroll control; five recommendations in relation to IT and eight recommendations in relation to Asset Valuation. The recommendations to improve processes and internal controls have been accepted by Management and are in the process of being implemented.

The **procurement strategy** continues to be rolled out across the Council which is key to the continuing success of the Authority's procuring of products and services. In line with the recommendations of the KPMG Fitness Check report in 2014, the Procurement team have developed and put in place new policies, a contacts management strategy, as well as reviewing the contract procedures. An initial procurement project delivered £500k of cashable savings and the second procurement project is now underway, with savings anticipated, however the focus will be on compliance of contract procedure rules.

The **Annual Certificate of Compliance** confirmed that the Council complied with its responsibilities relating to financial reporting, use of resources, improvement planning and performance management.

The Council has made significant progress on **information governance** over the last two years but it remains a priority. Under the leadership of the appointed Senior Information Risk Owner (SIRO), a large number of staff have undertaken the mandatory training on **data protection** and regular refreshers are scheduled annually particularly in light of the new General Data Protection Regulations and the Data Protection Act 2018 which are effective from 25 May 2018.

<b>Principle G:</b>	Implementing good practices in transparency, reporting, and audit to deliver
<b>Related KeyTheme:</b>	Professional and Well Run
Accountability is about ensuring that those making decisions and delivering services are answerable for them, although the range and strength of different accountability relationships varies for different types of governing bodies. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the entity plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability	

All **agendas and reports are available on the Council Website** unless they contain exempt information. This includes any information on ‘declarations of interest’ that are made at meetings. The Members’ Register of Interests is also published on the Council’s website.

As noted previously in Section D there are two **Scrutiny Committees**; one concerned with the internal working of the Council – *Corporate Scrutiny*, and the second concerned with external partnerships and the impact of the Council on its communities – *Partnership & Regeneration Scrutiny*. These two committees have enabled Members to take a more holistic and corporate view of the Council, its role and impact.

The **Democratic Services Committee** is responsible for reviewing the adequacy and support for Members which covers; Member development, staffing resources, facilities. The Chair of the Committee has been issued with a specific job description, and members of the Committee have a separate job description setting out roles and responsibilities. The Chair also acts as the Member Development Champion and participates in WLGA network meetings where best practice is shared.

The **Audit & Governance Committee** meets regularly to consider the effectiveness of the Council’s internal control; risk management and governance arrangements; monitors the work of internal and external auditors and inspectors; monitors the relationships between auditors and staff; and monitors the responses to audit and inspection recommendations.

A number of Members have undertaken professional development reviews (PDRs) and training needs have been identified from these. This has now been extended to include independent Members of the Standards Committee whose performance and objectives are reviewed by the Standards Committee Chair.

The Committee developed a work programme for 2017/18 and the Chair reports annually to Council's Annual General Meeting (AGM), including a report on the Member Development Plan. Themes associated with the WLGA Member Development Charter awarded to the Council form an integral part of its work programme.

The Council has continued with the practice of holding monthly all-member briefing sessions on major developments / key strategies and budget proposals. This has proved useful in increasing the wider appreciation and understanding of different initiatives prior to further debates and scrutiny in public forums.

The Council has an objective and professional relationship with its external auditor and statutory inspectors, as evidenced by the Annual Improvement Report. This can be found on the Council's or WAO's website. The Senior Management Team, Members and officers from Internal Audit and Corporate Transformation meet regularly with external regulators to discuss the Corporate Risk Register, key developments, the findings of all external reports and to update on progress being made to implement recommendations.

Over recent years, the Council has succeeded in managing and evaluating itself regularly and as a result regulators' opinion has been positive in terms of willingness to achieve.

In their annual compliance certificate (November 2017) the Wales Audit Office states:-

*"The Council complied with its responsibilities relating to financial reporting and use of resources...The Auditor General is satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources...The Auditor General has issued a certificate confirming that the audit of the accounts has been completed on 29 September 2017".*

Also, the Care and Social Services Inspectorate Wales noted, in their recent report (Children's Services Inspection Report – March 2017) that improvements were required in the Children's Service but that the Service has been working in a period of significant change in light of the new social services and welfare act and that:

*"senior managers accept the inspection's findings and have committed themselves to achieving the necessary improvements".*

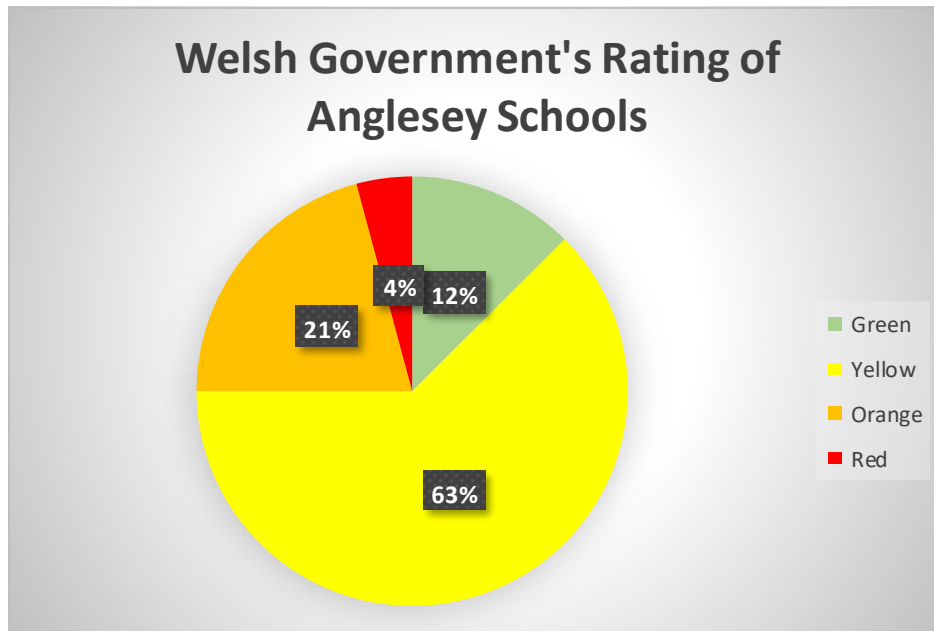
In this context, the Council is fully aware of the need to respond constructively to the recommendations of CSSIW and has drafted a comprehensive work-plan. The responsibility for leading and achieving against this plan would be the Assistant Chief Executive's in collaboration with the Head of Children and Families Services. Overseeing this work, and acknowledging its importance, the SLT will be taking an active role regularly ensuring achievements against the plan. This will place greater burden on the SLT's time (capacity) as a team and on an individual basis.

School performance on an Authority level, generally, has dipped in comparison with other Councils and from 2016. There is a need to keep a close eye on this and try to ensure that performance in all stages improves.

Welsh Government has judged that the vast majority of Anglesey schools (75%) are now performing effectively (yellow and green rated schools) with six of these schools placed in the highest category (green) in 2017 (compared to seven in 2016). The Council will aim to increase the number of schools in the green category in 2018.

It can be seen that the number of schools placed in the red category (i.e. schools needing significant support) has increased in 2017 from one to two and the number of schools in the orange category has increased from six schools in 2016 to eight schools in January 2017.

These results are shown in the below chart.



During the year, six primary schools were closed and two newly built, 21<sup>st</sup> Century Primary Schools were opened in September 2017. The 21<sup>st</sup> Century School Programme aims to rationalise schools where there are too many surplus places and to provide for schools fit for the 21<sup>st</sup> Century. Therefore, Anglesey schools have reduced from fifty two schools to forty eight schools. This may have had an impact upon the results between 2016 and 2017. The pupils from the three primary schools closed in Holyhead now attend the new Ysgol Cybi Holyhead and the former pupils of the three closed primary schools in North West Anglesey attend the new Ysgol Rhyd Y Llan. These changes will impact on results going forward hopefully in a positive way.

Estyn's Framework for inspecting the authority's schools assesses the standards of teaching, learning and the welfare of pupils in individual schools. There was an increase in the percentage of schools placed in the most intensive support categories (an increase from 15.4% in 2016/17 to 25.0% in 2017/18). Currently four schools continue to be in Estyn follow-up categories compared to three schools in 2016, and these schools are monitored by the Education Standards Scrutiny Panel.



## 5. REVIEW OF EFFECTIVENESS

The Isle of Anglesey County Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditor and other review agencies and inspectorates.

The effectiveness of the governance framework has been evaluated by a combination of:-

- the results of the regular in-year review and monitoring by officers and committees;
- a review of relevant documents prepared during the year or relating to the year;
- the review of progress against the Corporate Plan;
- a review of the six themes which underpin the authority's values
- reviews of feedback from Estyn and CSSIW and the related recovery boards on the improvement work in relation to Education and Children's Services;
- a series of interviews with key officers;
- discussion with, and receiving comments from, groups of officers and members including the SLT and the Executive.

In addition, regular in-year review and monitoring includes:-

- formal risk management activity, including specific consideration of those risks linked to governance processes;
- Internal Audit, whose work takes account of identified risks through regular audits of the major systems, establishments, major projects and major governance processes; including risk management, in accordance with the annual internal audit plan, and which includes 'follow-up' work to ensure that senior officers implement agreed recommendations;
- the annual assessment of Internal Audit by the Council's external auditor;
- the work of the Council's Scrutiny and other Committees, including its Audit and Standards committees;
- the opinions and recommendations of the Council's external auditor and other review agencies and inspectorates;
- the regular monitoring of improvement and performance against the Corporate Plan and its supporting plans and strategies by members and senior managers.

Key policies, and any amendments to them, are approved by the Executive and where appropriate, formally adopted by the County Council.

In May 2017 the Wales Audit Office completed an assessment of the Council's Governance when Determining Significant Service Changes. The report (concluded that:

*"The Council's arrangements for decision-making on significant service changes are generally effective but it recognises that they could be further strengthened"*

The report acknowledged that the Council has a clear vision and strategy for determining service change proposals. The report commented positively on the Council's procedures to encourage stakeholders to engage in decision-making and that the Council continues to strengthen engagement arrangements. The report acknowledges that the Council annually reviews the effectiveness of its decision-making arrangements and is aware of areas where it can improve. Areas of improvement were reported such as the Council could do more to review and reflect on service benefits following implementation. The risk of duplication between the transformation boards and scrutiny committees was also highlighted.

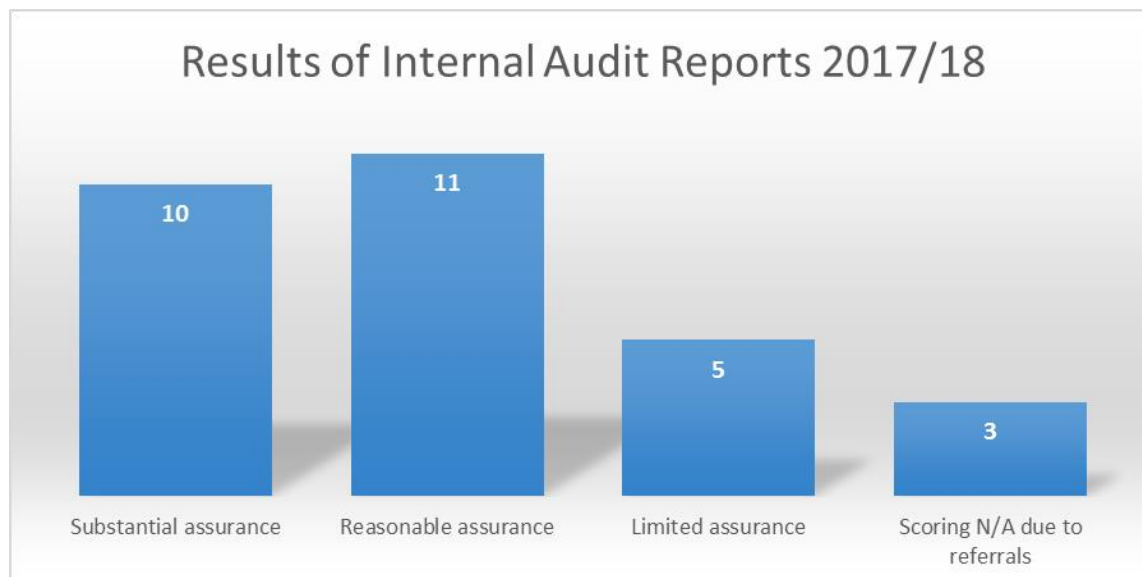
## 6. SIGNIFICANT GOVERNANCE ISSUES

Wales Audit Office completes an Annual Improvement Report. The latest Annual Improvement Report 2016/17 was published in June 2017, please see below link. This highlighted that no formal recommendations were made but some proposals for improvement were suggested. The report commented that the Council's governance arrangements are generally good. This report also usefully summarised the results from all Wales Audit Office specific reports on the Isle of Anglesey County Council during the period 2016/17.

<http://audit.wales/publication/isle-anglesey-county-council-%E2%80%93-annual-improvement-report-201617>

The Annual Report 2017 of the Head of Internal Audit gives assurance on the framework for internal control. The Head of Audit and Risk's opinion for the year ended 31 March 2018 "is that the organisation has an adequate and effective framework for risk management, governance and internal control. Some areas require the introduction or improvement of internal control...these are subject to monitoring...There are no qualifications (major concerns) to this opinion"

The Annual Audit Report identifies that the Function completed 29 audits during the year. This is a reduction from 2016 due to reduced staffing levels arising from vacancies. The levels of assurance identified in each audit is summarised in the chart below. This highlights that 10 audits received substantial assurance. 11 audits were found to identify reasonable assurance and 5 audits identified areas of more significant improvement required which offered limited assurance.



Therefore, all of the audits performed during the year resulted in positive levels of assurance with the exception of the following audits, which were assessed as providing Limited Assurance:

- Corporate Procurement Framework;
- Data Protection and Information Governance;
- Payment Card Industry Data Security Standards;
- Sundry Debtors;
- School Transport

The audits listed above will be followed up during 2018/19.

In addition, the internal audit and risk function completed audits arising from three referrals; follow-audit work and general counter fraud work, National Fraud Initiative and enquiries. The function reported to Audit and Governance Committee, which included training for members. The function provided corporate consultancy during the year and completed work in relation to risk and insurance.

Internal Audit continued to focus resources into grant-related areas during 2017/18 to ensure that the risks presented by this type of funding were being appropriately managed. No significant risks were identified in respect of the grants reviewed with all five grants audited receiving substantial assurance.

The overall results of the Internal Audit work identified **80%** of reviews resulted in 'positive' opinions (Substantial or Reasonable) and **20%** resulted in 'negative' assurance opinions.

The overall opinion for the systems reviewed is a Reasonable Level of assurance which is consistent with previous years. This overall level of assurance is based on the scope of the work carried out, action recommended to management being implemented and those systems continuing to operate as intended.

To comply with CIPFA's Public Sector Internal Audit Standards 2013 a formal follow up process is in operation within the Service to confirm that the recommendations made in Internal Audit reports have been implemented by management within agreed timescales. A follow up audit will, whenever possible, take place six months after the issue of the final report, with the exception of those audits assessed as providing substantial levels of assurance where follow up work is not performed, in order to maximise audit resource.

Recommendations are currently rated as red, amber, yellow or green according to the perceived risk. Those rated green are not subject to formal follow up by Internal Audit and are not included in this analysis. Management had implemented all of the outstanding high priority rated recommendations highlighted during the former audit methodology and 69% of new 'Red' Issues/Risks. This highlighted that management are responsive to the work of the Audit and Risk Function.

The report of the Head of Internal Audit and Risk also identifies areas where significant weaknesses in control would prevent the Council placing reasonable reliance on the systems of internal control in respect of those systems reviewed during the year. The areas will continue to be a concern for Internal Audit until all significant recommendations have been implemented and assurance can be provided that the frameworks and systems are in place; have been embedded; are robust and effective. The Annual Audit Report noted that there are no issues that we judge particularly relevant to the Annual Governance Statement. The report highlights the following outstanding 'Red' Issues and Risk as at 31 March 2018.

Significant governance Issues	Actions identified to address weaknesses
<p><b>Corporate Procurement Framework</b> – Although a procurement framework has been developed within the Authority the level of compliance with the Contract Procedure Rules and EU regulations remains a weakness. The procurement processes require improvement in Housing, Adults Services and Children and Families Service.</p>	<p>Social Services are currently developing a work plan to address the issues with a wider contract work plan for both Children's and Adults' Services. The Services are working with other North Wales local authorities in joint tenders and frameworks. The services are reviewing safeguarding clauses particularly in relation to requirements for DBS checks.</p>

<p><b>Children’s Services – Child Care Court Orders under the Public Law Outline</b> – The Public Law Outline is a protocol attempting to reduce unwarranted delays in family court cases. Weakness were evidenced in record keeping, evidence gathering and court skills, which are deemed crucial to ensure speedy resolution. Support worker visits were not always conducted in accordance with plans to ensure the safety and wellbeing of a child</p>	<p>The audit resulted in a limited assurance rating and will be followed up in 2018. All Support Workers’ visits are required to comply with the relevant care plan and legislation. Disciplinary proceedings may be followed where there is a failure to comply with care plans.</p>
<p><b>Payment Card Industry Data Security Standards (PCI DSS)</b> – The Authority has not identified the level of compliance required or produced a compliance programme to meet PCI DSS requirements.</p>	<p>A cross-departmental working group including the Head of Function (Resources) and Section 151 Officer as champion has been established to ensure PCI DSS compliance.</p>

**7. CERTIFYING THE ANNUAL GOVERNANCE STATEMENT**

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined in the document.

We propose to take appropriate steps to address these and the other weaknesses identified in the Annual Governance Statement and to further enhance our governance and assurance arrangements in the forthcoming year. We will monitor the implementation and operation of improvements through the Audit Committee and as part of our next annual review.

.....

**Leader of the Council**  
Date:

**Chief Executive**  
Date:

**2018**

**On behalf of the Isle of Anglesey County Council**

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WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru  
Auditor General for Wales

# Audit of Financial Statements Report – Isle of Anglesey County Council

Audit year: 2017-18

Date issued: September 2018

## **Purpose of this document**

This document is a draft supplied in confidence solely for the purpose of verifying the accuracy and completeness of the information contained in it and to obtain views on the conclusions reached.

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disclosure or re-use of this document should be sent to the Wales Audit Office at

[infoofficer@audit.wales](mailto:infoofficer@audit.wales).

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

. This document is also available in Welsh.



# Contents

The Auditor General intends to issue an unqualified audit report on your financial statements, subject to final audit testing being complete, and all items on the outstanding list resolved (See page 4).

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# Summary report

## Introduction

- 1 The Auditor General is responsible for providing an opinion on whether the financial statements give a true and fair view of the financial position of Isle of Anglesey County Council at 31 March 2018 and its income and expenditure for the year then ended.
- 2 We do not try to obtain absolute assurance that the financial statements are correctly stated, but adopt the concept of materiality. In planning and conducting the audit, we seek to identify material misstatements in your financial statements, namely, those that might result in a reader of the accounts being misled.
- 3 The quantitative levels at which we judge such misstatements to be material for Isle of Anglesey County Council is £5m. Whether an item is judged to be material can also be affected by certain qualitative issues such as legal and regulatory requirements and political sensitivity.
- 4 International Standard on Auditing (ISA) 260 requires us to report certain matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action.
- 5 This report sets out for consideration the matters arising from the audit of the financial statements of Isle of Anglesey County Council, for 2017-18, that require reporting under ISA 260.

## Status of the audit

- 6 We received the draft financial statements for the year ended 31 March 2018 on 11 June 2018 and have now substantially completed the audit work. At the date of issue of this report the following were outstanding:
  - a. Finalisation of documentation in relation to provisions, accounting treatment of pension deficit payment and pensioner numbers.
  - b. Finalisation of Partner and independent quality review process and audit file documentation; and
  - c. Receipt of letter of representation.
- 7 We are reporting to you the more significant issues arising from the audit, which we believe you must consider prior to approval of the financial statements. The audit team has already discussed these issues with S.151 Officer and Deputy S.151 Officer.

## Proposed audit report

- 8 Subject to satisfactory completion of outstanding work, it is the Auditor General's intention to issue an unqualified audit report on the financial statements once you have provided us with a Letter of Representation based on that set out in [Appendix 1](#).

9 The proposed audit report is set out in [Appendix 2](#).

## Significant issues arising from the audit

### Uncorrected misstatements

10 There are misstatements that have not been corrected by management, which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process. They are set out with explanations in [Appendix 3](#)

### Corrected misstatements

11 There are misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process. They are set out with explanations in [Appendix 3](#).

## Significant Risks

12 In our Financial Audit Plan, we set out information regarding the significant audit risks that were identified during our planning process. The table below sets out the outcome of our audit procedures in respect of those risks. We have conducted our audit in line with the Financial Audit Plan.

Financial audit risk	Proposed audit response
<p><b>Management override of controls</b></p> <p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.31-33].</p>	<p>The audit team undertook the following procedures:</p> <ul style="list-style-type: none"><li>• testing the appropriateness of journal entries and other adjustments made in preparing the financial statements using enhanced data analytics to analyse the whole journal population for characteristics of audit interest;</li><li>• performed testing on the design and implementation of controls over journal entries to the financial ledger;</li><li>• testing the appropriateness of accounting estimates for biases; and</li><li>• evaluation of the rationale for any significant transactions outside the normal course of business including those with related parties.</li></ul> <p>No issues were identified from our testing.</p>

Financial audit risk	Proposed audit response
<p><b>Completeness and cut-off of expenditure</b></p> <p>We have identified completeness and cut-off of expenditure as a significant risk as there may be an incentive not to record all expenditure in order to for the Council to report a more favourable year end position.</p>	<p>The audit team undertook the following procedures:</p> <ul style="list-style-type: none"> <li>• performed design and implementation testing over controls to ensure completeness of expenditure;</li> <li>• performed focused audit testing in relation to the completeness of expenditure including the testing of provisions and accruals as at the year end; and</li> <li>• completed detailed testing in relation to management estimates and judgements as set out in the management override risk detailed above.</li> </ul> <p>No issues were identified from our testing.</p>
<p><b>Property Valuations</b></p> <p>The Council completes a cyclical full valuation process whereby classes of assets undergo a full valuation on a 5 yearly basis, with the valuations being completed by internal valuers.</p> <p>Property valuations by their nature include judgements and estimates and with land and buildings valuations as at March 2017 being £288 million, changes in judgements and estimates can have a material impact on the carrying value.</p>	<p>The audit team undertook the following procedures:</p> <ul style="list-style-type: none"> <li>• design and implementation testing in relation to the property valuation process including the identification of impairments outside of the valuation process;</li> <li>• Engaged with internal valuation specialists to assess the reasonableness of assumptions underpinning the valuation; and</li> <li>• Traced all valuation movements through the financial statements to ensure they are fairly stated.</li> </ul> <p>No issues were identified from our testing.</p>

## Other significant issues arising from the audit

- 13 In the course of the audit, we consider a number of matters both qualitative and quantitative relating to the accounts and report any significant issues arising to you. There were no issues arising in these areas this year:
- 14 **We have no concerns about the qualitative aspects of your accounting practices and financial reporting.** We concluded that accounting policies and estimates are appropriate and financial statement disclosures unbiased, fair and clear.
- 15 **We did not encounter any significant difficulties during the audit.**
- 16 **There were no significant matters discussed and corresponded upon with management which we need to report to you.**

- 17 **There are no other matters significant to the oversight of the financial reporting process that we need to report to you.**
- 18 **We did not identify any material weaknesses in your internal controls, although we have identified several areas in which it would be possible to improve control.** These are included in [Appendix 4](#).
- 19 **There are no other matters specifically required by auditing standards to be communicated to those charged with governance.**

## Recommendations arising from our 2017-18 financial audit work

- 20 The recommendations arising from our financial audit work are set out in [Appendix 4](#). Management has responded to them and we will follow up progress on them during next year's audit. Where any actions are outstanding, we will continue to monitor progress and report it to you in next year's report.

## Independence and objectivity

- 21 As part of the finalisation process, we are required to provide you with representations concerning our independence.
- 22 We have complied with ethical standards and in our professional judgment, we are independent and our objectivity is not compromised. There are no relationships between the Wales Audit Office and Isle of Anglesey County Council that we consider to bear on our objectivity and independence.

# Appendix 1

## Final Letter of Representation

Auditor General for Wales  
Wales Audit Office  
24 Cathedral Road  
Cardiff  
CF11 9LJ

XX September 2018

### **Representations regarding the 2017-18 financial statements**

This letter is provided in connection with your audit of the financial statements of Isle of Anglesey County Council for the year ended 31 March 2018 the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

### **Management representations Responsibilities**

We have fulfilled our responsibilities for:

- The preparation of the financial statements in accordance with legislative requirements and the CIPFA Code of Practice on Local Authority Accounting; in particular the financial statements give a true and fair view in accordance therewith.
- The design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

### **Information provided**

We have provided you with:

- Full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects the Isle of Anglesey County Council and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.

- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

### **Financial statement representations**

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

On review of Council assets against its policy of componentisation of assets with mixed length useful economic lives, no asset or collective asset class has been identified by the Council of requiring to be componentised.

The valuer has been provided with a complete list of assets to value.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All grant income has been recognised in line with the conditions attached.

The Monitoring Officer has disclosed all exant legal issues to the auditors and in their view all exant legal issues requiring provisions have been appropriately disclosed in the accounts.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

We confirm that: all retirement benefits and schemes, including UK, funded or unfunded, approved or unapproved, contractual or implicit have been identified and properly accounted for; all settlements and curtailments have been identified and properly accounted for; all events which relate to the determination of pension liabilities have been brought to the actuary's attention; the actuarial assumptions underlying the valuation of the scheme liabilities (including the discount rate used) accord with the managers' best estimates of the future events that will affect the cost of retirement benefits and are consistent with our knowledge of the Council; the actuary's calculations have been based on complete and up to date member data as far as appropriate regarding the adopted methodology; and the amounts included in the financial statements derived from the work of the actuary are appropriate.

**Representations by those charged with governance**

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Isle of Anglesey County Council on XX September 2018.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by: .....

Marc Jones  
S.151 Officer  
Isle of Anglesey County Council

Signed by: .....

Officer or Member who signs on behalf of those charged with governance

Date: .....

Date: .....



# Appendix 2

## **Proposed audit report of the Auditor General to the Members of Isle of Anglesey County Council**

### **Auditor General for Wales' report to the Members of Isle of Anglesey County Council**

I have audited the financial statements and related notes of Isle of Anglesey County Council for the year ended 31 March 2018 under the Public Audit (Wales) Act 2004.

Isle of Anglesey County Council financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Movement on the Housing Revenue Account Statement and the Housing Revenue Account Income and Expenditure Statement and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18 based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements:

- give a true and fair view of the financial position of Isle of Anglesey County Council as at 31 March 2018 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18.

### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Conclusions relating to going concern**

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the responsible financial officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about [the council's [or group's]] ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The responsible financial officer is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does

not cover the other information and, except to the extent otherwise explicitly stated later in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### **Report on other requirements**

#### **Opinion on other matters**

In my opinion, based on the work undertaken in the course of my audit:

- The information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18;
- The information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with guidance.

#### **Matters on which I report by exception**

In the light of the knowledge and understanding of the council and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

#### **Certificate of completion of audit**

I certify that I have completed the audit of the accounts of Isle of Anglesey County Council in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

### **Responsibilities**

#### **Responsibilities of the responsible financial officer for the financial statements**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 13, the responsible financial officer is responsible for the preparation of the statement of accounts, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the council's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

#### **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement

when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

Anthony J Barrett  
For and on behalf of the Auditor General for Wales  
XX September 2018

24 Cathedral Road  
Cardiff  
CF11 9LJ

## Appendix 3

### Summary of uncorrected misstatements which should be drawn to the attention of Audit and Governance Committee

During our audit we identified the following misstatements that have not corrected by management, which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process:

- In 2017/18 a payment of £3.66m was made by the Council to Gwynedd Pension Fund to cover the fixed element of the employer contributions for the period 2017/18 to 2019/20. The Council accounted for this by charging 1/3 to the general fund and 2/3 to the Earmarked Reserve. After taking into account the balance on the Earmarked Reserve this has resulted in a negative reserve of £2.44m.

The Wales Audit Office has considered the treatment of pension fund deficit payments and concluded that the payment of fixed elements of pension fund contributions should be recognised in full in the year of payment in line with Regulation 24 of the 2013 Local Government Pension Scheme Regulations.

The result is that the £2.44m charged to the Earmarked Reserve should be charged to the general fund. As this is a classification error within the detail of the usable reserves, management have chosen not to adjust the accounts for this error.

- Management as part of their review of post balance sheet events identified that a contingent asset – the Leisure VAT Claim in note 43 – crystallised in August 2018. HMRC accepted the claim and reimbursed the VAT collected, resulting in a payment from HMRC of £0.9m. As this is not material, Management have chosen not to adjust the accounts for this, and will recognise it in 2018/19.

### Summary of corrections made to the draft financial statements which should be drawn to the attention of Audit and Governance Committee

During our audit we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

CIES DR	CIES CR	BS DR	BS CR	ER Dr	ER Cr	Nature of correction
£'000	£'000	£'000	£'000			
	789	789				Incorrect reconciliation of Housing Revenue System to the Council's Ledger over the last three years resulted in an under recognition of revenue. .

CIES DR	CIES CR	BS DR	BS CR	ER Dr	ER Cr	Nature of correction
105		1,936	2,041			Incorrect percentages were initially used in the internal valuers report that led to incorrect calculation of fixed asset revaluation amounts.
2,000	2,000		2,000	2,000		On review of the circumstance and accounting treatment of the earmarked reserve for the Penhesgyn Waste Landfill Site, it was identified this meets the criteria for a provision, and therefore a provision has been charged to the CIES. The earmarked reserve has been released.

Management also corrected the senior remuneration note and associated party note in relation to: WJEC CBAC, Mon Mentor and transactions with Age Concern, Anglesey Agricultural Show, Mon CAB, careers Champion and Gwrp Llandrillo/Menai.

*CIES – Comprehensive Income and Expenditure Statement*

*BS – Balance Sheet*

*ER - Earmarked Reserves*

## Appendix 4

### Recommendations arising from our 2017-18 financial audit work

We set out all the recommendations arising from our audit with management's response to them. We will follow up these next year and include any outstanding issues in next year's audit report.

In 2016-17 we raised 8 recommendations. 2 have been re-raised (Matter arising 1 and 4).

<b>Matter arising 1 - Payroll Controls</b>	
<b>Findings</b>	We identified as part of our New Joiners walkthrough that a payroll member of staff can create a new starter and update the individual's bank details in addition to members of the HR department.
<b>Priority</b>	Medium
<b>Recommendation</b>	It is recommended that Payroll members of staff do not have the ability to set up new starters and update the individual's bank details and these functions are reserved to HR staff.
<b>Benefits of implementing the recommendation</b>	This mitigates the risk that cash can be paid to fictitious employees.
<b>Accepted in full by management</b>	Accepted
<b>Management response</b>	The process surrounding new starters and timesheets will change significantly as we continue to roll out the improvements to the Northgate HR/Payroll System. All new starters will be processed by HR (through the web recruitment function). Access levels of members of staff will be reviewed and amended as relevant once the process is complete.
<b>Implementation date</b>	December 2018

<b>Matter arising 2 - Bank Reconciliations</b>	
<b>Findings</b>	We identified during our walkthrough of the treasury business process that monthly bank reconciliations at the Council had not been undertaken since August 2017.
<b>Priority</b>	Medium
<b>Recommendation</b>	It is recommended that bank reconciliations are undertaken on a monthly basis.

<b>Benefits of implementing the recommendation</b>	This will mitigate the risk of misallocation of cash and improves the timeliness of identifying issues with cash balances.
<b>Accepted in full by management</b>	Accepted
<b>Management response</b>	Changes in the cash management system will lead to greater automation and simplification of processes which will help ensure that the bank reconciliations are completed in a timelier manner.
<b>Implementation date</b>	September 2018

<b>Matter arising 3 – Housing Benefit Reconciliation</b>	
<b>Findings</b>	We identified that over three years, 900k of revenue from the housing benefit system SX3 was not recognised due to no reconciliation taking place between the SX3 system and a Finance system general ledger code.
<b>Priority</b>	Medium
<b>Recommendation</b>	It is recommended that a reconciliation between SX3 and the Finance system is prepared and reviewed on a monthly basis.
<b>Benefits of implementing the recommendation</b>	The Council recognise all revenue due.
<b>Accepted in full by management</b>	Accepted.
<b>Management response</b>	Reconciliations will now commence on a regular basis
<b>Implementation date</b>	September 2018

<b>Matter arising 4 – Payroll Controls – Processing of timesheets</b>	
<b>Findings</b>	We identified that currently all Payroll officers are responsible for the checking and inputting of timesheets onto the payroll system. At the end of each month one Payroll officer will be responsible for checking the data input into the payroll system (this alternates between the three officers). This means that the member of staff completing the checking will check the data inputted by themselves, and therefore there is not complete segregation of duties
<b>Priority</b>	Medium
<b>Recommendation</b>	It is recommended that the council introduce complete segregation of duties in relation to the processing of timesheets.

<b>Benefits of implementing the recommendation</b>	The Council will mitigate the risk of fraudulent time hours being paid.
<b>Accepted in full by management</b>	Partially-accepted
<b>Management response</b>	There is segregation of duties with the Payroll Assistants entering the timesheets. These are then checked and processed by the Payroll Officer relevant to that payroll. In addition, once the HR/Payroll Northgate improvement project has been implemented, the procedures and segregation will be further improved. For example, the majority of employees will input their own timesheets, these will be authorised by their manager. This will free up payroll officers' time for checking and examining exception report.
<b>Implementation date</b>	December 2018

#### Matter arising 5 – Revaluation Controls – review of postings of revaluations

<b>Findings</b>	It was identified that the postings of the change in fair value of assets to the revaluation reserve and CIES had been made incorrectly.
<b>Priority</b>	Medium
<b>Recommendation</b>	It is recommended that a separate review is performed on the postings of the revaluation movements to the reserves.
<b>Benefits of implementing the recommendation</b>	The Council will mitigate the risk of incorrect postings to the revaluation reserve.
<b>Accepted in full by management</b>	Accepted
<b>Management response</b>	The revaluation worksheet was reviewed but will be reviewed more closely including checking all formulas.
<b>Implementation date</b>	For 2018/19 accounts

#### Matter arising 6 – Related Party Transactions

<b>Findings</b>	We identified that a number of related party transactions were not disclosed in the initial version presented to audit. Furthermore, some related party figures were incorrectly reported.
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<b>Priority</b>	Medium
<b>Recommendation</b>	It is recommended that management review the related party disclosure, and ledger.
<b>Benefits of implementing the recommendation</b>	The Council will appropriately disclose its related party transactions.
<b>Accepted in full by management</b>	Accepted.
<b>Management response</b>	A review will be undertaken during 2018-19 of the related parties and will be reconciled to the ledger in order for accurate reporting.
<b>Implementation date</b>	March 2019
<b>Matter arising 7 – Rent Collection</b>	
<b>Findings</b>	We identified that increases in rent were not fully implemented within the housing system. We identified one property should have had a rent increase to £99.13. However we evidenced that the rent was recorded as £92.34.
<b>Priority</b>	Medium
<b>Recommendation</b>	It is recommended that the Council pass on the full rent increases, implementing a system of review that confirms all rent increases have been applied.
<b>Benefits of implementing the recommendation</b>	The Council will increase the level of income from its housing stock.
<b>Accepted in full by management</b>	
<b>Management response</b>	
<b>Implementation date</b>	

## Recommendations arising from our 2017-18 IT audit work

We set out all the recommendations arising from our audit with management's response to them. We will follow up these next year and include any outstanding issues in next year's audit report. In 2016-17 there were 6 recommendations. One recommendation has been re-raised as part of our 2017-18 work.

Multiple Systems – Passwords	
<b>Findings</b>	<p>We noted a number of weaknesses in the password parameters configured on the Resource Link Application and Database as below:</p> <p><b><u>Resource Link Application</u></b></p> <p>The following weaknesses were identified with the Resource Link application password parameters:</p> <ul style="list-style-type: none"> <li>- Minimum Password Length = 7 characters;</li> <li>- Password History = Not Set;</li> <li>- Password Expiry = Not Set;</li> <li>- Lockout Threshold = Not Set; and,</li> <li>- Lockout Duration = Not Set</li> </ul> <p>In aggregate this means that users may choose simple, easy to guess passwords, which would be in contradiction to the Council's security policy and increase the risk that their accounts could be accessed inappropriately.</p> <p><b><u>Resource Link Oracle Database</u></b></p> <p>The following weaknesses were identified with the Resource Link Oracle Database application password parameters:</p> <ul style="list-style-type: none"> <li>- Minimum Password Length = Not Enforced;</li> <li>- Password History = Unlimited;</li> <li>- Password Expiry = Unlimited;</li> <li>- Password Complexity = Not Enforced;</li> <li>- Lockout Threshold = 10 attempts; and,</li> <li>- Lockout Duration = 1 minute</li> </ul> <p>Weaknesses in password controls increases the vulnerability of the system to brute force attacks and hence raises the risk of unauthorised parties gaining access to systems or data. Databases should especially be protected given that they give direct access to the data.</p> <p>Additionally, with the GDPR legislation, all applications holding personal data should have stringent password parameters to ensure no data is lost which could result in financial penalties for the council.</p>

<b>Multiple Systems – Passwords</b>	
<b>Priority</b>	High
<b>Recommendation</b>	<p>It is acknowledged that management have already taken steps to align all systems with Windows AD password settings and to revise the password policy in line with the NSCS guidance. This will see the password expiry increase from 1 month to 12 months and password length from 7 characters to 9 characters. We however recommend implementing minimum password length of 12 characters and implementing monitoring controls to ensure that user accounts are kept secure from unauthorised access. The monitoring controls include:</p> <p>i) Monitoring logins to detect unusual use;  ii) Notifying users with details of attempted logins, successful or unsuccessful; they should report any for which they were not responsible.</p>
<b>Benefits of implementing the recommendation</b>	Maximising controls in place over authentication to systems will reduce the risk of data being inappropriately accessed.
<b>Accepted in full by management</b>	Rejected
<b>Management response</b>	<p>The NCSC guidance states that if password are too long in length end users will be more likely to write them down. 9 Characters offers increased security over the previous 7 but also reduces the likelihood of users writing passwords down, which is against our IT Security Policy.</p> <p>Our Intrusion Prevention and Detection system monitors the network for potentially malicious traffic and/or actions, multiple failed login attempts to Active Directory is one of these parameters.</p> <p>Our domain login policy forces account lockout after 3 failed login attempts, at which point the user must contact the IT Service Desk to request unlocking.</p> <p>We do not feel it would be appropriate to email users each and every time their account successfully logged in, although we will investigate the possibility of a notification on failed login.</p> <p>The changes noted by the auditor have only recently been implemented, a review will be carried out in 6 months.</p>
<b>Implementation date</b>	N/A

## Estates related recommendations arising from our 2017-18 financial audit work

We set out all the estates related recommendations arising from our audit with management's response to them. The majority (three) of the recommendations relate to the valuation approach and how to improve the accuracy of the valuation of Council assets. The remaining two are procedural in nature. We will follow up these next year and include any outstanding issues in next year's audit report. Outstanding recommendations for 2016/17 have been updated and included in the 2017-18 recommendations.

Title / Area	Finding and Recommendation	Management Response
<b>Valuation Related Issues : Council Dwellings</b>	<p><b>It is recommended that the valuation information that is prepared for Council Dwellings includes information on the estimated economic useful lives for the housing stock. and that in future the stock is reviewed to ensure economic useful lives reflect the condition of the housing stock.</b></p> <p>The valuation information provided on the Council Dwellings did not include any information of the estimated economic useful lives for the housing stock. After questioning the valuer has confirmed <i>'Economic useful lives have been assumed to be 30 years as assets are maintained in accordance with the Welsh Housing Quality Standard'</i>.</p>	<p>Previously the useful economic life of the Housing Stock was reduced each year and was about 23 years. In 2017/18 we sought to find a more valid basis for the useful economic life. A meeting was held with the Housing Technical Service Manager, the Senior Valuation Officer, the Senior Accountant and the Finance Manager in order to identify a more accurate useful economic life for the Housing Stock. It was highlighted at this meeting that Housing has to maintain the housing stock in accordance with the Welsh Housing Quality Standards. Each year the Council submits a 30 year plan to Welsh Government which details how the service will maintain and refurbish stock in order to have useful economic life of 30 years in order to comply with the Welsh Housing Standards. Each year significant investment is made to ensure the council achieves its 30 year plan and has a housing stock which is fit for the 30 year</p>

		<p>period. The Housing Service has periodic surveys done by an independent organisation so it has clear information on how to invest in its Housing stock. Anglesey is a high performer in relation to its achievement of the Welsh Housing Quality Standard. Therefore, 30 years is a more robust basis. It is proposed that each year the useful economic life will remain at 30 years due to the continual investment programme in accordance with the 30 year plan.</p> <p>This approach was decided well in advance of closure of accounts and was a clearly planned approach.</p>
<p><b>Valuation Related Issues : Council Dwellings</b></p>	<p><b>It is recommended that the Council review its componentisation policy.</b></p> <p>It is noted no componentisation exercise has been undertaken on the Council House portfolio, whilst the valuer has pointed out the individual values of the housing units fall below the threshold set in the Council's componentisation policy, the housing portfolio obviously represents a significant proportion of the Council's property portfolio by value. We understand that where similar components exist in large number of analogous assets which on an individual basis may not be material but collectively they would have a material impact on depreciation, they should be separately depreciated.</p>	<p>The Council has a componentisation policy which would focus componentisation on material changes to the calculation of depreciation. The policy also states that where in aggregate there a material impact on depreciation is, then the collective of the assets should be componentised. The Finance Team will review the policy and the focus will continue to be on materiality.</p> <p>With regard to the Housing stock, the economic useful lives of roofs are not considered to be materially different to the fabric of the buildings. Boilers and kitchens may have a shorter life. However, given that the 30 years is a reasonable basis for its economic useful life, it is unlikely that there will be a material impact on the calculation of depreciation and there will be no impact on the true and fair view of the accounts as depreciation is cancelled out in the Movement in Reserves Statement and has no effect on Council balances.</p> <p>Given the need to produce the accounts to a tighter deadline and the small team that would have to undertake the work, any change in the componentisation policy would place an additional burden on a small number of staff at a very busy period during the year. It is not felt that the change would have a sufficient material impact on the accounts to justify the additional workload.</p>
<p><b>Procedural Matters</b></p>	<p><b>It is recommend that a more extensive and documented inspection programme is undertaken to ensure that the majority of assets valued each year have been subject to inspection within the relevant year, even if the</b></p>	<p>The Council has an Asset Management Group which maintains an overview of the Council's assets and decides on the future use of costly or redundant assets. The Council has 4000 plus assets which the small Valuation Team do not</p>

	<p><b>inspection is not purely for valuation purposes, i.e. dealing with general management of the assets.</b></p>	<p>have capacity to inspect. However, there are officers with responsibility for assets who do inspect the properties under their remit. For example, the Estates Manager regularly inspects the Council's Farms and Smallholdings. The Housing Technical Manager is aware of the condition of the housing stock and commissions independent surveys regularly. In addition statutory inspections e.g. heating systems are undertaken in accordance with the statutory requirements. It is the inspection of assets by those responsible for them which forms the basis for revenue maintenance and capital refurbishment programmes. These assets are valued by the Senior Valuation Officer on the basis of the assets being maintained in accordance with the legal and other property standards.</p>
<p><b>Non-Housing Valuation Related Issues</b></p>	<p><b>It is recommended that the valuer reviews their Depreciated Replacement Cost (DRC) approach and applies varying percentages as appropriate (typically between 0%, where there are no external works, to 15% for more extensive external works);</b></p> <p>It is noted that for assets valued using the Depreciated Replacement Costs (DRC) approach, (Specialised Operational Assets) the valuer has determined the costs for the external works by adding a percentage to the base build costs for the buildings. This is a recognised and acceptable approach, however the valuer continues to adopt a set percentage of 10%, whereas it is more common to vary the percentage depending on the extent of the external works (actual and on an MEA basis).</p>	<p>The Senior Valuation Officer considers that due to the lack of absolute certainty with any percentage that 10% is a reasonable percentage to apply.</p>



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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>REPORT TO:</b>	<b>COUNTY COUNCIL</b>
<b>DATE:</b>	<b>25 SEPTEMBER 2018</b>
<b>SUBJECT:</b>	<b>ANNUAL TREASURY MANAGEMENT REVIEW FOR 2017/18</b>
<b>PORTFOLIO HOLDER(S):</b>	<b>COUNCILLOR R WILLIAMS</b>
<b>LEAD OFFICER(S):</b>	<b>R MARC JONES</b>
<b>CONTACT OFFICER(S):</b>	<b>GARETH ROBERTS/CLAIRE KLIMASZEWSKI (EXT. 2675/1865)</b>
<b>Nature and reason for reporting</b>	
<p>To comply with regulations issued under the Local Government Act 2003 and with the Council's Treasury Management Scheme of Delegation for 2017/18 (Appendix 8 of the Treasury Management Strategy Statement 2017/18). In accordance with the Scheme of Delegation, this report was scrutinised by the Audit Committee on 24 July 2018 and forwarded to the Executive Committee without comments on 17 September 2018. The Executive Committee resolved to forward the report to the full Council without comment.</p>	

## **Summary**

The Council is required, by regulations issued under the Local Government Act 2003, to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2017/18. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2017/18, the minimum reporting requirements were that the full Council should receive the following reports:-

- an annual treasury strategy in advance of the year (received on 28 February 2017);
- a mid-year treasury update report (received on 28 February 2018);
- an annual review following the year describing the activity compared to the strategy (this report).

The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit Committee before they were reported to the full Council.

In order to support the scrutiny role of the members of the Audit Committee, Member training on treasury management issues was undertaken during June 2018.

During 2017/18, the Council complied with its legislative and regulatory requirements. The key data for actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:-

<b>Data for Actual Prudential and Treasury Indicators</b>	<b>2016/17 Actual £000</b>	<b>2017/18 Original £000</b>	<b>2017/18 Actual £000</b>
Capital expenditure			
• Non-HRA	28,033	39,799	20,064
• HRA	8,607	12,873	9,291
• Total	36,640	52,672	29,355
Total Capital Financing Requirement			
• Non-HRA	91,515	101,286	95,218
• HRA	42,499	41,648	41,648
• Total	134,014	142,934	136,866
Gross borrowing	117,110	125,018	117,029
External debt	117,110	125,018	117,029
Investments			
• Longer than 1 year			-
• Under 1 year	13,319	15,000	5,993
• Total	13,319	15,000	5,993

Other prudential and treasury indicators are to be found in the main body of this report. The Section 151 Officer also confirms that borrowing was only taken out for capital purposes and the statutory borrowing limit (the authorised limit) was not breached.

The financial year 2017/18 continued the challenging investment environment of previous years, namely low investment returns.

## **RECOMMENDATIONS**

The Committee is recommended to:-

- (i) Note that the outturn figures in this report will remain provisional until the audit of the 2017/18 Statement of Accounts is completed and signed off; any resulting significant adjustments to the figures included in this report will be reported as appropriate;
- (ii) Note the provisional 2017/18 prudential and treasury indicators in this report; and
- (iii) Consider the annual treasury management report for 2017/18.

## **Appendices:**

- Appendix 1 - Summary Portfolio Valuation as at 31 March 2018
- Appendix 2 - Credit ratings of investment counterparties and deposits held with each as at 31 March 2018
- Appendix 3 - Credit ratings of investment counterparties and deposits held with each as at 3 July 2018
- Appendix 4 - A Commentary by Capita Asset Services on the Economy, Investment and Borrowing Rates

## **Background Papers :**

- Treasury Management Strategy Statement 2017/18
- Prudential and Treasury Indicators 2017/18
- Treasury Management Mid-Year Review Report 2017/18
- Capital Outturn Report 2017/18

## 1. INTRODUCTION

This report summarises the following functions / activities / outcomes in financial year 2017/18:-

- Capital activity;
- Impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement);
- The actual prudential and treasury indicators;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness and the impact on investment balances;
- Interest rate movements in the year;
- Detailed debt activity; and
- Detailed investment activity.

## 2. THE COUNCIL'S CAPITAL EXPENDITURE AND FINANCING 2017/18

2.1 The Council undertakes capital expenditure on long-term assets. These activities may either be:-

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.) which has no resultant impact on the Council's borrowing need; or
- Financed from borrowing: this may be through planned borrowing or otherwise. If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

2.2 The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

	2016/17 Actual (£m)	2017/18 Estimate (£m)	2017/18 Actual (£m)
Non-HRA capital expenditure	28	40	20
HRA capital expenditure	9	13	9
<b>Total capital expenditure</b>	<b>37</b>	<b>53</b>	<b>29</b>
Non-HRA financed in year	28	40	20
HRA financed in year	9	13	9
<b>Non-HRA capital expenditure financed by borrowing</b>	<b>11</b>	<b>13</b>	<b>7</b>
<b>HRA capital expenditure financed by borrowing</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3. THE COUNCIL'S OVERALL BORROWING NEED

**3.1** The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. The CFR results from the capital activity of the Council and what resources have been used to pay for the capital spend. It represents the 2017/18 capital expenditure financed by borrowing (see above table), and prior years' capital expenditure funded by borrowing which has not yet been paid for by revenue or other resources. The above table shows that £7m of Council fund capital expenditure is financed from borrowing. No actual Long Term external borrowing was taken out during the year, but was internally borrowed, with Council balances funding this in the short-term to reduce interest payments. However, the expectation is that, in the longer term, borrowing will need to be taken out to replenish Council balances.

**3.2** Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board (PWLB) or the money markets), or utilising temporary cash resources within the Council.

#### 3.3 Reducing the CFR

**3.3.1** The Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge called the Minimum Revenue Provision, MRP, to reduce the CFR. This is, effectively, a repayment of the borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

**3.3.2** The total CFR can also be reduced by:-

- the application of additional capital financing resources (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

**3.3.3** The Council's 2017/18 MRP Policy (as required by WG guidance) was approved as part of the Treasury Management Strategy Report for 2017/18 on 28 February 2017.

**3.3.4** The Council's CFR for the year is shown below and represents a key prudential indicator. This would include any PFI and leasing schemes on the balance sheet which would increase the Council's borrowing need, the CFR. There were no such schemes during the year.

<b>CFR: Council Fund</b>	<b>2016/17 Actual (£m)</b>	<b>2017/18 Budget (£m)</b>	<b>2017/18 Actual (£m)</b>
Opening balance	84	92	92
Add capital expenditure financed by borrowing (as above)	11	13	7
Less MRP/VRP*	(3)	(4)	(4)
Closing balance	92	101	95

CFR: HRA	2016/17 Actual (£m)	2017/18 Budget (£m)	2017/18 Actual (£m)
Opening balance	43	42	42
Add unfinanced capital expenditure (as above)	0	0	0
Less MRP/VRP*	(1)	(1)	(1)
Closing balance	42	41	41

\* Includes voluntary application of capital receipts

**3.3.5** The borrowing activity is constrained by prudential indicators for gross borrowing and the CFR, and by the authorised limit.

### 3.4 Gross borrowing and the CFR

In order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This, essentially, means that the Council is not borrowing to support revenue expenditure. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2017/18. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

	31 March 2017 Actual (£m)	31 March 2018 Budget (£m)	31 March 2018 Actual (£m)
Gross borrowing position	117.1	125.0	117.0
CFR	134.0	142.9	136.9

**3.4.1** As part of the financing of capital expenditure for 2017/18, internal borrowing was used to finance the gap between available resources (capital receipts, capital grants, capital contributions and revenue contributions) and the capital expenditure. It was decided, in light of current and projected market interest rates and counterparty credit risks, to continue internalising borrowing, in the short-term at least. This means that instead of borrowing externally for all of the Council's borrowing requirement, the Council has instead used its own Council reserves to fund part of its capital programme.

**3.4.2** The internal borrowing strategy has now been implemented over the last few years. The gross borrowing of £117.0m at 31 March 2018 is less than the forecast CFR for the following two years.

	Actual 2017/18 (£m)	Estimated 2018/19 (£m)	Estimated 2019/20 (£m)
Capital Financing Requirement	136.9	148.9	165.3

Source: Treasury Management Strategy 2017/18

3.5 The other debt related indicators are:-

**3.5.1 The authorised limit** - the authorised limit is the “affordable borrowing limit” required by Section 3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that, during 2017/18, the Council maintained gross borrowing within its authorised limit.

**3.5.2 The operational boundary** – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

**3.5.3 Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2017/18
Authorised limit	£169.0m
Maximum gross borrowing position	£117.0m
Operational boundary	£164.0m
Financing costs as a proportion of net revenue stream – CF	6.25%
Financing costs as a proportion of net revenue stream – HRA	23.02%

#### 4. TREASURY POSITION AS AT 31 MARCH 2018

4.1 The Council’s debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting, detailed in the summary, and through officer activity in accordance with the Treasury Management Strategy 2017/18. The borrowing and investment figures for the Council as at the end of the 2016/17 and 2017/18 financial years are as follows:-

	31 MARCH 2017			31 MARCH 2018		
	£'000	Average Rate (%)	Average Maturity (yrs)	£'000	Average Rate (%)	Average Maturity (yrs)
Debt	117.110	5.25	22.7	117.029	5.15	23.36
CFR	134,014			136.866		
Over / (under) borrowed	(16,904)			(19,837)		
Fixed term investments (all < 1 year, managed in house and fixed rate)	5,000	0.35				
No notice investments (all managed in house)	8,319	0.15		5,993	0.39	
Total Investments	13,319	0.22		5,993	0.39	

See a more detailed analysis in Appendix 1. The upper limits for fixed rate and variable rate exposures were not breached during the year.

**4.2** Borrowing is further broken down by maturity as:-

	31 MARCH 2017		31 MARCH 2018	
	£m	% of total	£m	% of total
Total borrowing	117.1	100	117.0	100
Under 12 months	5.5	4.7	10.1	8.63
12 months and within 24 months	5.1	4.3	5.1	4.36
24 months and within 5 years	9.6	8.2	7.0	5.98
5 years and within 10 years	5.6	4.8	5.8	4.96
10 years and above	91.3	78.0	89.0	76.07

**4.3** There was no debt rescheduling during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

**4.4** All of the Council's deposits were held in no notice deposit accounts which pay interest at rates near the prevailing base rate, £5.993m at 0.39% on 31 March 2018 (31 March 2017 £`8.3m at 0.15%). All investments were for under 1 year.

**5. TREASURY STRATEGY FOR 2017/18**

**5.1** The expectation for interest rates within the treasury management strategy for 2017/18 anticipated that Bank Rate would not start rising from 0.25% until quarter 2 2019 and then only increase once more before 31 March 2020. There would also be gradual rises in medium and longer term fixed borrowing rates during 2017/18 and the two subsequent financial years. Variable or short-term rates were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

**5.2** In this scenario, the treasury strategy was to postpone borrowing, where possible, to avoid the cost of holding higher levels of investments and to reduce counterparty risk.

**5.3** During 2017/18, longer term PWLB rates were volatile but with little overall direction, whereas shorter term PWLB rates were on a rising trend during the second half of the year.

**6. INVESTMENT OUTTURN FOR 2017/18**

**6.1** Investment Policy – the Council's investment policy is governed by Welsh Government investment guidance, which has been implemented in the annual Treasury Management Strategy Statement approved by the Council on February 28 2017. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.). The investment activity during the year conformed to the approved strategy and the Council had no liquidity difficulties.

**6.2** The Bank Rate at the start of the financial year was 0.25%, however, this was increased to 0.5% on the 2<sup>nd</sup> November 2017. This meant that the counterparty organisations' interest rate on the typical call account ranged from 0.10% to 0.40%.

**6.3** The expected investment strategy was to keep to shorter term deposits (up to 364 days), although the ability to invest out to longer periods was retained. Cash balances were expected to be up to £26m, ranging between £5m and £26m. The budget was set at 0.058% or £15k after adjusting for the higher rates on existing investments. As it turned out, average balances of £14.4m returned £31.2k (0.12%).

## **7. INVESTMENT SECURITY AND CREDIT QUALITY**

**7.1** No institutions in which we had made investments had any difficulty in repaying investments and interest on time and in full during the year.

**7.2** During the year, we continued to use no notice accounts with major high street institutions (Santander, HSBC, RBS and Bank of Scotland) for day to day cash flow.

## **8. BORROWING OUTTURN 2017/18**

**8.1** Borrowing – the only borrowing that was made during the year was a £5m borrowing from the Tyne & Wear Pension Fund. This was made on the 20<sup>th</sup> October 2017 at an interest rate of 0.33% for a period of 3 months. Upon maturity on the 19<sup>th</sup> January 2018, the borrowing was rolled over for a further 3 months at an interest rate of 0.50%.

**8.2** Rescheduling - no rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

**8.3** Repayments – two PWLB loans matured during the year. The first loan matured on the 6<sup>th</sup> June 2017 and was for £2.5m. The loan was originally taken in 2009 at an interest rate of 3.25%. The second loan matured on 17<sup>th</sup> July 2017 for £3.5m, and was taken out in 1992 at an interest rate of 10.375%. These loans were repaid using the Councils cash balances, no new loans were taken to re-finance the loans.

## **9. ACTIVITY SINCE 2017/18**

**9.1** On April 19<sup>th</sup> 2018, a £5m borrowing from the Tyne & Wear Pension Fund was repaid by the Isle of Anglesey County Council.

**9.2** During the early months of 2018/19, the Isle of Anglesey County Council has continued to invest in instant access call accounts, where funds are readily available when called upon.

**9.3** No new borrowing has been undertaken to date in 2018/19.

**9.4** There haven't been any PWLB loan repayments to date in 2018/19.



## **10. CHANGES DURING 2017/18**

- 10.1** Revised CIPFA Codes - in December 2017, the Chartered Institute of Public Finance and Accountancy (CIPFA) issued a revised Treasury Management Code and Cross Sectoral Guidance Notes and a revised Prudential Code. A particular focus of these revised codes was how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the Authority at a much higher level than can be attained by treasury investments. One recommendation was that local authorities should produce a new report to Members to give a high level summary of the overall capital strategy and to enable Members to see how the cash resources of the Authority have been apportioned between treasury and non-treasury investments. Officers will report to Members when the implications of these new codes have been assessed as to the likely impact on this Authority.
- 10.2** Markets in Financial Instruments Directive II (MiFID II) - the EU set the date of 3 January 2018 for the introduction of regulations under MiFID II. These regulations govern the relationship that financial institutions conducting lending and borrowing transactions will have with local authorities from that date. This has had little effect on this Authority apart from having to fill in forms sent by each institution dealing with this Authority and for each type of investment instrument we use, apart from for cash deposits with banks and building societies.

## **11. CONCLUSION**

- 11.1** A review of the Treasury Management performance for 2017/18 is provided above. The year was fairly stable, with the most significant activity being a loan from Tyne & Wear Pension Fund amounting to £5.0m for 3 months, that was rolled over for a further 3 months upon maturity. Two PWLB Loans for £5.5m were repaid during the year. Investment returns reduced to an all time low due to the low bank base rate and the Council held appropriate cash balances at all times, though the low interest rate meant that the returns were low. However, this is consistent with the Treasury Management Strategy 2017/18, where the key objectives were low risk and ensuring there is sufficient cash to pay the Council's creditors, etc. The financial position of the Council's financial instruments as at 31 March 2018 is shown in Appendix 1.

**Summary Portfolio Valuation  
As at 31 March 2018**

<b>FINANCIAL ASSETS</b>	<b>Nominal / Principal (£)</b>	<b>Fair Value (£)</b>
Cash (interest bearing accounts) (1)	5,993,375	6,007,584
 <b>FINANCIAL LIABILITIES</b>		
PWLB loan – Fixed	<b>111,184,478</b>	166,042,050
PWLB loan – Annuity	241,122	372,142
WG Loan	131,400	131,400
Salix	471,881	471,881
Tyne & Wear Pension Fund	5,000,000	5,000,000
 <b>Counterparties</b>		
<b>(1)</b> Cash (interest bearing accounts)		
Santander	2,074,120	
Bank of Scotland	3,684,119	
Nat West Cash Manager A/c	233,447	
RBS	1,690	
	<u>5,993,376</u>	

APPENDIX 2

**Cyfraddau Credyd Gwrthbartïon buddsoddi a'r adneuron a ddelir gyda phob un ar 31 Marwth 2018 \***  
**Credit ratings of investment counterparties and deposits held with each as at 31 March 2018\***

Grŵp Bancio/ Banking Group	Sefydliad/ Institution	Adneuron / Deposit £'000	Hyd (Galw tymor sefydlog **) / Duration (Call / Fixed Term) **	Cyfnod (O-I)/ Period (From - To)	Cyfradd Dychweliad/ Rate of Return %	Cyfradd Tymor Hir Fitch Long Term Rating	Cyfradd Tymor Byr Fitch Short Term Rating	Cyfradd Tymor Hir Moody's Long Term Rating	Cyfradd Tymor Byr Moody's Short Term Rating	Cyfradd Tymor Hir Standard & Poor's (S&P) Long Term Rating	Cyfradd Tymor Byr Standard & Poor's (S&P) Short Term Rating	Lliw Sector/Hyd Awgrymiedig/ Sector Colour / Suggested Duration
Lloyds Banking Group plc	Royal Bank of Scotland plc	3,684	Galw/ Call	n/a	0.40	A+	F1	Aa3	P-1	A	A-1	Coch – 6 mis/ Red - 6 months
Santander Group plc	Santander UK plc	2,074	Galw/ Call	n/a	0.25	A	F1	Aa3	P-1	A	A-1	Coch - 6 mis / Red – 6 months
Royal Bank of Scotland group plc	The Royal Bank of Scotland plc	2	Galw/ Call	n/a	0.10	BBB+	F2	A2	P-1	BBB+	A-2	Glas – 12 mis/ Blue – 12 months
Royal Bank of Scotland group plc	National Westminster Bank plc	233	Galw/ Call	n/a	0.05	BBB+	F2	A2	P-1	BBB+	A-2	Glas – 12 mis/ Blue – 12 months

\* Ceir y Rhestr Meini Prawf Gwrthbartïon yn Atodiad 6 o'r Datganiad Strategaeth Rheoli Trysorlys 2017/18 / The Counterparty Criteria can be found at Appendix 6 of the 2017/18 Treasury Management Strategy Statement.

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

**Cyfraddau Credyd Gwrthbartïon buddsoddi a'r adneuron a ddelir gyda phob un ar 29 Mehefin 2018 \***  
**Credit ratings of investment counterparties and deposits held with each as at 29 June 2018\***

Grŵp Bancio/ Banking Group	Sefydliad/ Institution	Adneuron / Deposit £'000	Hyd (Galw / tymor sefydlog) / Duration (Call / Fixed Term) **	Cyfnod (O-I)/ Period (From - To)	Cyfradd Dychweliad/ Rate of Return %	Cyfradd Tymor Hir Fitch Long Term Rating	Cyfradd Tymor Byr Fitch Short Term Rating	Cyfradd Tymor Hir Moody's Long Term Rating	Cyfradd Tymor Byr Moody's Short Term Rating	Cyfradd Tymor Hir Standard & Poor's (S&P) Long Term Rating	Cyfradd 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	7,487	Galw/ Call	n/a	0.40	A+	F1	Aa3	P-1	A+	A-1	Oren –12 mis/ Orange - 12 months
Santander Group plc	Santander UK plc	1,207	Galw/ Call	n/a	0.25	A	F1	Aa3	P-1	A	A-1	Coch - 6 mis / Red – 6 months
Royal Bank of Scotland group plc	The Royal Bank of Scotland plc	2	Galw/ Call	n/a	0.10	A-	F2	A1	P-1	A-	A-2	Glas – 12 mis / Blue – 12 months
Royal Bank of Scotland group plc	National Westminster Bank plc	Dim/Nil	Galw/ Call	n/a	0.05	A-	F2	A1	P-1	A-	A-2	Glas – 12 mis / Blue – 12 months

\* Ceir y Rhestr Meini Prawf Gwrthbartïon yn Atodiad 6 o'r Datganiad Strategaeth Rheoli Trysorlys 2018/19 / The Counterparty Criteria can be found at Appendix 6 of the 2018/19 Treasury Management Strategy Statement.

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

## 1. The Economy and Interest Rates

**UK.** The outcome of the EU referendum in June 2016 resulted in a gloomy outlook and economic forecasts from the Bank of England based around an expectation of a major slowdown in UK GDP growth, particularly during the second half of 2016, which was expected to push back the first increase in Bank Rate for at least three years. Consequently, the Bank responded in August 2016 by cutting Bank Rate by 0.25% to 0.25% and making available over £100bn of cheap financing to the banking sector up to February 2018. Both measures were intended to stimulate growth in the economy. This gloom was overdone as the UK economy turned in a G7 leading growth rate of **1.8% in 2016**, (actually joint equal with Germany), and followed it up with another **1.8% in 2017**, (although this was a comparatively weak result compared to the US and EZ).

During the calendar year of 2017, there was a major shift in expectations in financial markets in terms of how soon Bank Rate would start on a rising trend. After the UK economy surprised on the upside with strong growth in the second half of 2016, growth in 2017 was disappointingly weak in the first half of the year; quarter 1 came in at +0.3% (+1.7% y/y) and quarter 2 was +0.3% (+1.5% y/y), which meant that growth in the first half of 2017 was the slowest for the first half of any year since 2012. The main reason for this was the sharp increase in inflation caused by the devaluation of sterling after the EU referendum, feeding increases into the cost of imports into the economy. This caused a reduction in consumer disposable income and spending power as inflation exceeded average wage increases. Consequently, the services sector of the economy, accounting for around 75% of GDP, saw weak growth as consumers responded by cutting back on their expenditure. However, growth did pick up in quarter 3 to 0.5% before dipping slightly to 0.4% in quarter 4.

Consequently, market expectations during the autumn rose significantly that the MPC would be heading in the direction of imminently raising Bank Rate. The **MPC meeting of 14 September** provided a shock to the markets with a sharp increase in tone in the minutes where the MPC considerably hardened their wording in terms of needing to raise Bank Rate very soon. The **2 November MPC quarterly Inflation Report meeting** duly delivered on this warning by withdrawing the 0.25% emergency rate cut which had been implemented in August 2016. Market debate then moved on as to whether this would be a one and done move for maybe a year or more by the MPC, or the first of a series of increases in Bank Rate over the next 2-3 years. The MPC minutes from that meeting were viewed as being dovish, i.e. there was now little pressure to raise rates by much over that time period. In particular, the GDP growth forecasts were pessimistically weak while there was little evidence of building pressure on wage increases despite remarkably low unemployment. The MPC forecast that CPI would peak at about 3.1% and chose to look through that breaching of its 2% target as this was a one off result of the devaluation of sterling caused by the result of the EU referendum. The inflation forecast showed that the MPC expected inflation to come down to near the 2% target over the two to three year time horizon. So this all seemed to add up to cooling expectations of much further action to raise Bank Rate over the next two years.

However, GDP growth in the second half of 2017 came in stronger than expected, while in the new year there was evidence that wage increases had started to rise.

The **8 February MPC meeting** minutes therefore revealed another sharp hardening in MPC warnings focusing on a reduction in spare capacity in the economy, weak increases in productivity, higher GDP growth forecasts and a shift of their time horizon to focus on the 18 – 24 month period for seeing inflation come down to 2%. (CPI inflation ended the year at 2.7% but was forecast to still be just over 2% within two years.) This resulted in a marked increase in expectations that there would be another Bank Rate increase in May 2018 and a bringing forward of the timing of subsequent increases in Bank Rate. This shift in market expectations resulted in **investment rates** from 3 – 12 months increasing sharply during the spring quarter.

**PWLB borrowing rates** increased correspondingly to the above developments with the shorter term rates increasing more sharply than longer term rates. In addition, UK gilts have moved in a relatively narrow band this year, (within 25 bps for much of the year), compared to **US treasuries**. During the second half of the year, there was a noticeable trend in treasury yields being on a rising trend with the Fed raising rates by 0.25% in June, December and March, making six increases in all from the floor. The effect of these three increases was greater in shorter terms around 5 year, rather than longer term yields.

As for **equity markets**, the FTSE 100 hit a new peak near to 7,800 in early January before there was a sharp selloff in a number of stages during the spring, replicating similar developments in US equity markets.

The major UK landmark event of the year was the inconclusive result of the **general election** on 8 June. However, this had relatively little impact on financial markets. However, **sterling** did suffer a sharp devaluation against most other currencies, although it has recovered about half of that fall since then. Brexit negotiations have been a focus of much attention and concern during the year but so far, there has been little significant hold up to making progress.

The **manufacturing sector** has been the bright spot in the economy, seeing stronger growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year. However, the manufacturing sector only accounts for around 11% of GDP so expansion in this sector has a much more muted effect on the average total GDP growth figure for the UK economy as a whole.

**EU.** Economic growth in the EU, (the UK's biggest trading partner), was lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of quantitative easing to stimulate growth. However, growth eventually picked up in 2016 and subsequently gathered further momentum to produce an overall GDP figure for 2017 of 2.3%. Nevertheless, despite providing this massive monetary stimulus, the ECB is still struggling to get inflation up to its 2% target and in March, inflation was still only 1.4%. It is, therefore, unlikely to start an upswing in rates until possibly towards the end of 2019.

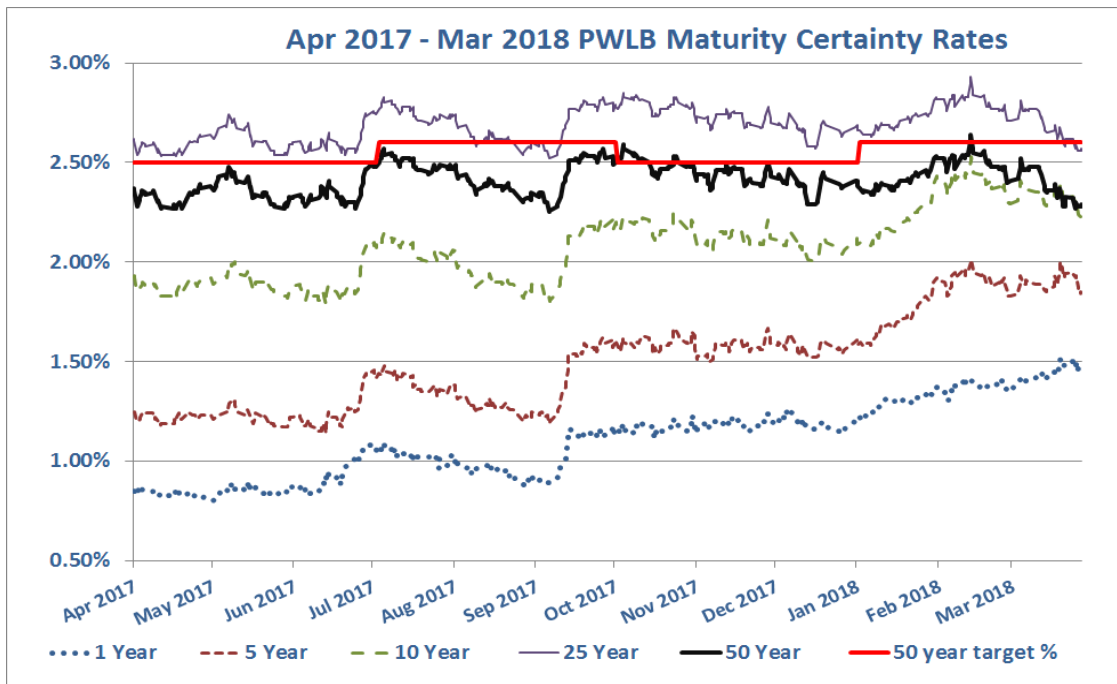
**USA.** Growth in the American economy was volatile in 2015 and 2016. 2017 followed that path again with quarter 1 at 1.2%, quarter 2 3.1%, quarter 3 3.2% and quarter 4 2.9%. The annual rate of GDP growth for 2017 was 2.3%, up from 1.6% in 2016. Unemployment in the US also fell to the lowest level for 17 years, reaching 4.1% in October to February, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has been the first major western central bank to start on an upswing in rates with six increases since the first one in December 2015 to lift the central rate to 1.50 – 1.75% in March 2018. There could be a further two or three increases in 2018 as the Fed faces a challenging situation with GDP growth trending upwards at a time when the recent Trump fiscal stimulus is likely to increase growth further, consequently increasing inflationary pressures in an economy which is already operating at near full capacity. In October 2017, the Fed also became the first major western central bank to make a start on unwinding quantitative easing by phasing in a gradual reduction in reinvesting maturing debt.

**Chinese economic growth** has been weakening over successive years, despite repeated rounds of central bank stimulus and medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

**Japan.** GDP growth has been improving to reach an annual figure of 2.1% in quarter 4 of 2017. However, it is still struggling to get inflation up to its target rate of 2% despite huge monetary and fiscal stimulus, although inflation has risen in 2018 to reach 1.5% in February. It is also making little progress on fundamental reform of the economy.

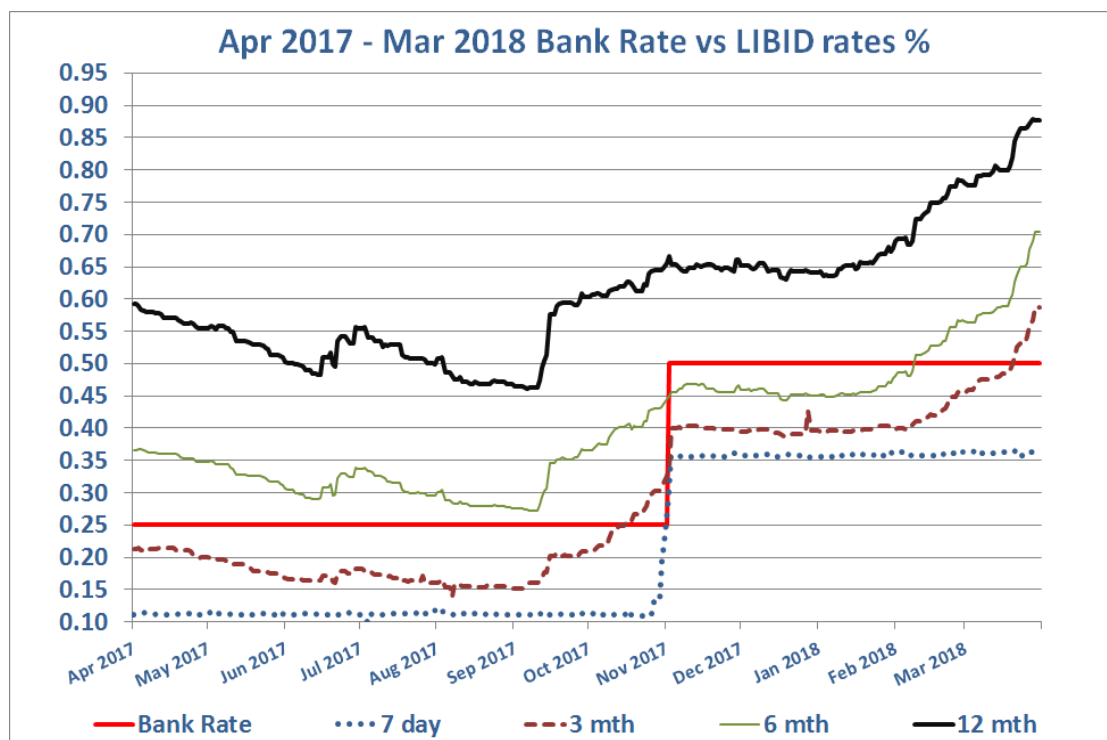
## 2. Borrowing Rates in 2017/18

**PWLB certainty maturity borrowing rates**As depicted in the graph and tables below and in appendix 3, PWLB 25 and 50 year rates have been volatile during the year with little consistent trend. However, shorter rates were on a rising trend during the second half of the year and reached peaks in February / March. During the year, the 50 year PWLB target (certainty) rate for new long term borrowing was 2.50% in quarters 1 and 3 and 2.60% in quarters 2 and 4. The graphs and tables for PWLB rates show, for a selection of maturity periods, the average borrowing rates, the high and low points in rates, spreads and individual rates at the start and the end of the financial year.



### 3. Investment Rates in 2017/18

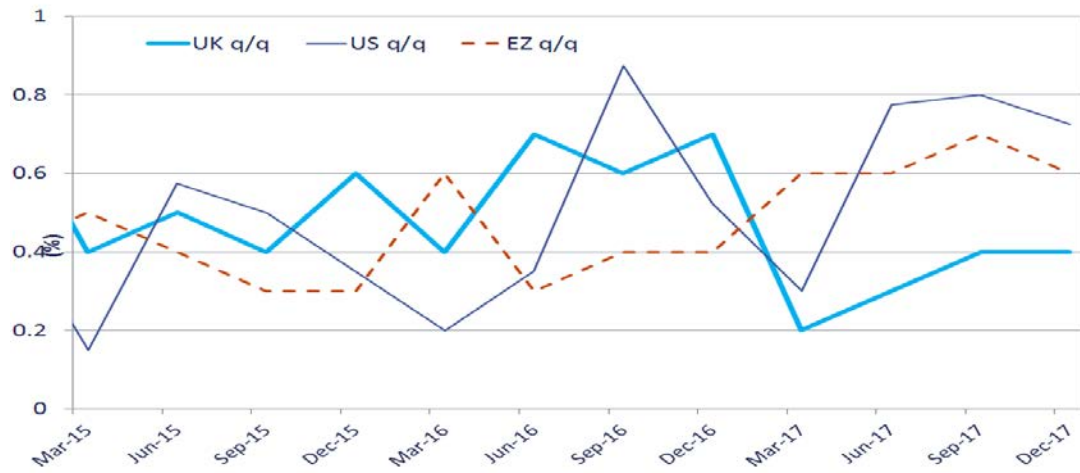
Investment rates for 3 months and longer have been on a rising trend during the second half of the year in the expectation of Bank Rate increasing from its floor of 0.25%, and reached a peak at the end of March. Bank Rate was duly raised from 0.25% to 0.50% on 2.11.17 and remained at that level for the rest of the year. However, further increases are expected over the next few years. Deposit rates continued into the start of 2017/18 at previous depressed levels due, in part, to a large tranche of cheap financing being made available under the Term Funding Scheme to the banking sector by the Bank of England; this facility ended on 28.2.18.



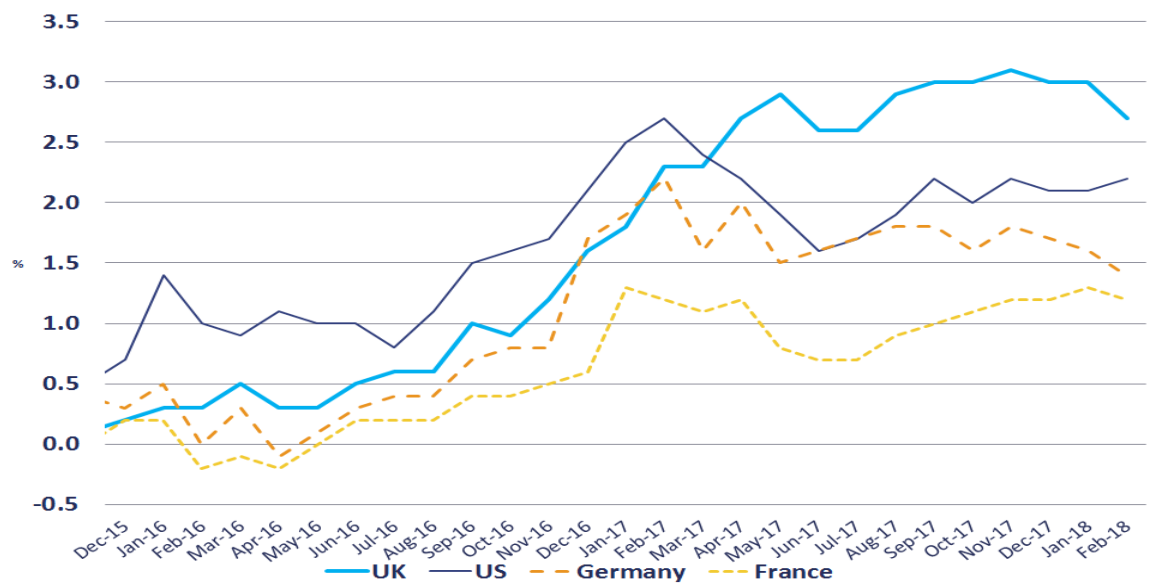


## 4. Other Graphs

**UK, US and EZ GDP growth**

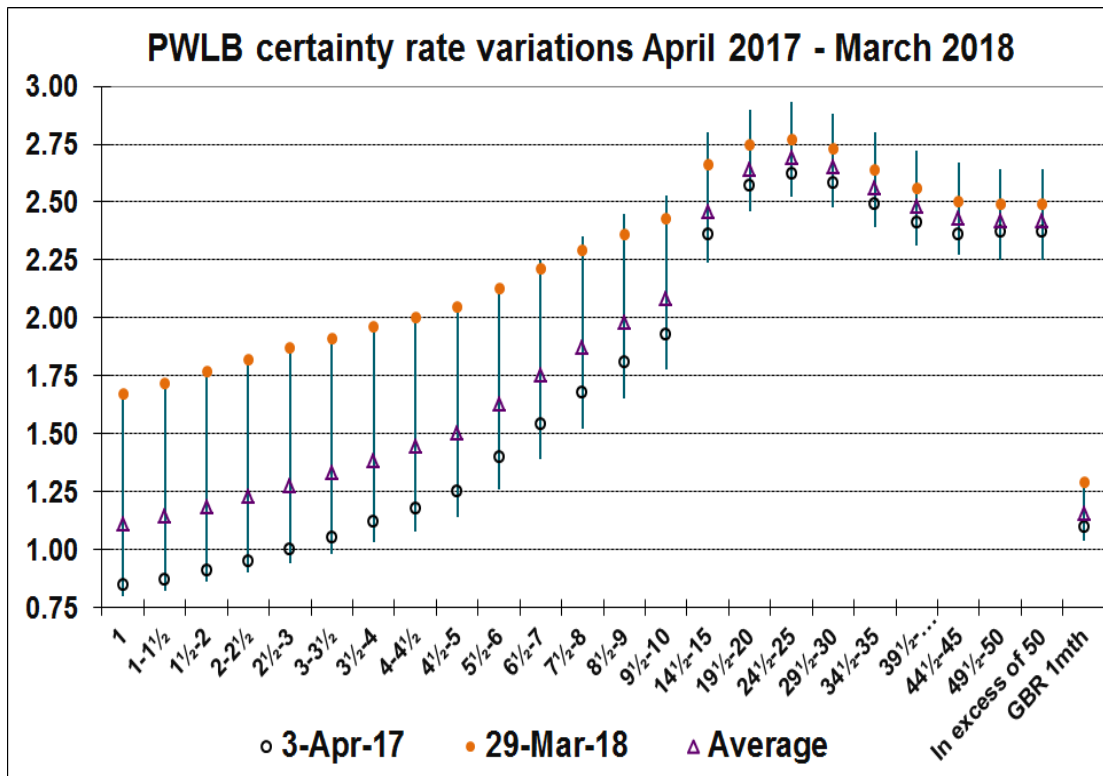


**Inflation UK, US, Germany and France**



## 5. Borrowing and investment rates

Below are supplementary graphs and tables, and the PWLB rates are based on the maturity debt certainty rate.



	1	1.1.5	2.5.3	3.5.4	4.5.5	9.5.10	24.5.25	49.5.50	1 month variable
3/4/17	0.850%	0.870%	1.000%	1.120%	1.250%	1.930%	2.620%	2.370%	1.100%
29/3/18	1.670%	1.720%	1.870%	1.960%	2.050%	2.430%	2.770%	2.490%	1.290%
High	1.510%	1.600%	1.790%	1.900%	2.010%	2.530%	2.930%	2.640%	1.310%
Low	0.800%	0.820%	0.940%	1.030%	1.140%	1.780%	2.520%	2.250%	1.040%
Average	1.107%	1.143%	1.276%	1.384%	1.503%	2.083%	2.688%	2.415%	1.157%
Spread	0.710%	0.780%	0.850%	0.870%	0.870%	0.750%	0.410%	0.390%	0.270%
High date	21/03/2018	21/03/2018	21/03/2018	21/03/2018	15/02/2018	15/02/2018	15/02/2018	15/02/2018	21/03/2018
Low date	03/05/2017	03/05/2017	30/05/2017	15/06/2017	15/06/2017	15/06/2017	08/09/2017	08/09/2017	04/04/2017

	1 Year	5 Year	10 Year	25 Year	50 Year
1/4/17	0.85%	1.25%	1.93%	2.62%	2.37%
31/3/18	1.67%	2.05%	2.43%	2.77%	2.49%
Low	0.80%	1.14%	1.78%	2.52%	2.25%
Date	03/05/2017	15/06/2017	15/06/2017	08/09/2017	08/09/2017
High	1.51%	2.01%	2.53%	2.93%	2.64%
Date	21/03/2018	15/02/2018	15/02/2018	15/02/2018	15/02/2018
Average	1.11%	1.50%	2.08%	2.69%	2.41%

## 6. Money market investment rates 2017/18

	7 day	1 month	3 month	6 month	1 year
1/4/17	0.111	0.132	0.212	0.366	0.593
31/3/18	0.364	0.386	0.587	0.704	0.878
High	0.366	0.390	0.587	0.704	0.879
Low	0.099	0.122	0.140	0.273	0.461
Average	0.215	0.233	0.286	0.401	0.606
Spread	0.267	0.268	0.447	0.432	0.418
High date	27/2/18	22/3/18	29/3/18	29/3/18	28/3/18
Low date	4/7/17	10/8/17	7/8/17	7/9/17	6/9/17

SOURCE LINK GROUP 2018

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
Report to	<b>THE EXECUTIVE AND FULL COUNCIL</b>
Date	<b>21.05.2018 / 25.09.2018</b>
Subject	<b>For the Council to adopt the powers listed in Enclosure 1 and for such powers to be delegated to the Head of Service (Regulation and Economic Development)</b>
Portfolio Holder(s)	<b>Councillor Richard Dew Councillor Dafydd Rhys Thomas</b>
Head of Service	<b>Dylan Williams – Head of Service (Regulation and Economic Development) Lynn Ball – Head of Service (Council Business) / Monitoring Officer</b>
Report Author: Tel: E-mail:	<b>Mared Wyn Yaxley – Solicitor: Corporate Governance Ext. 2566 <a href="mailto:mwycs@ynysmon.gov.uk">mwycs@ynysmon.gov.uk</a></b>

<b>A – Recommendation/s and reason/s</b>
<p>1. That Council:</p> <p>1.1 Adopt the powers listed in Section A of <b>Enclosure 1</b>;</p> <p>1.2 Amend the Scheme of Delegation in the Constitution to delegate the exercise of the powers noted in Section A of <b>Enclosure 1</b>, to the Head of Service (Regulation and Economic Development);</p> <p>1.3 Remove the powers listed in Section B of <b>Enclosure 1</b>, from the Scheme of Delegation in the Constitution, which delegates these Powers to the Head of Service (Regulation and Economic Development);</p> <p>1.4 Authorise the Council’s Head of Function (Council Business) / Monitoring Officer to make the necessary changes to the Scheme of Delegation, and any consequential amendments, to reflect the adoption, delegation and removal of the said powers;</p> <p>1.5 Authorise the Council’s Head of Function (Council Business) / Monitoring Officer to make any future changes to the Constitution, without requiring Executive or full Council approval, where those changes are as a result of legislative changes where additional/ revised delegation to officers is required in order to execute additional powers or rights granted to the Council by amended or new legislation.</p> <p>1.6 Amend the Scheme of Delegation in the Constitution to delegate to the Head of Function (Council Business) / Monitoring Officer:                      “To review and update the Council’s Constitution from time to time, to include any changes arising from amended, substituted or new legislation; any restructure of the organisation already authorised as required and to include</p>

new delegations to officers, namely the Head of Service with responsibility for the relevant service, to have full delegated authority to discharge the function on the Council's behalf, unless it is a matter reserved to the Council, Executive or a Committee".

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

The Council has the option of refusing to adopt the powers at Section A **Enclosure 1** but adopting (and delegating) the powers will enable the Council to operate a wider range of solutions. Details of the purpose for which each power may be used is explained at **Enclosure 2**.

Removing the legislation listed in Section B **Enclosure 1**, is a good house-keeping exercise to remove references to legislation which no longer serves purpose as part of the Council's operational requirements.

At present, any changes to the Constitution require Executive and full Council approval. There is a request in this report for some constitutional changes, such as the one detailed in this report, to be delegated to the Head of Function (Council Business) / Monitoring Officer, rather than for a report to be prepared to Executive and full Council. It will remain that politically significant and local choice changes to the Constitution will be a matter for full Council, but the Head of Function (Council Business) / Monitoring Officer will be given delegated power to make those constitutional changes which arise due to new, amended or revoked legislation, and this will include adding or removing reference to that legislation to or from the relevant Head of Service's list of delegated matters. This would assist workloads for officers and the Executive / full Council. To include such reference in the Constitution is not a new concept; it is known to be included in the constitutions of other councils for the purpose of streamlining processes and ensuring that technical changes are implemented as smoothly and quickly as possible.

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

As the report proposes to amend the Scheme of Delegation, which is part of the Constitution, then this report must be considered by the Executive before a final decision is made by Council

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

Yes, where relevant

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

The cost of exercising these new/additional powers will fall within the operational budget of the Service.

Potential costs will be one of the considerations taken into account before the powers are engaged; on a case by case basis.

<b>D – Who did you consult?</b>		<b>What did they say?</b>
<b>1</b>	<b>Chief Executive / Senior Leadership Team (SLT)</b> (mandatory)	Report discussed 08.05.2018 – proposal supported
<b>2</b>	<b>Finance / Section 51</b> (mandatory)	Part of 1 above
<b>3</b>	<b>Legal / Monitoring Officer</b> (mandatory)	Report by the Legal Section/Monitoring Officer – proposal supported
<b>4</b>	<b>Human Resources (HR)</b>	Not relevant
<b>5</b>	<b>Property</b>	Not relevant
<b>6</b>	<b>Information Communication Technology (ICT)</b>	Not relevant
<b>7</b>	<b>Procurement</b>	Not relevant
<b>8</b>	<b>Scrutiny</b>	Not relevant
<b>9</b>	<b>Local Members</b>	Not relevant
<b>10</b>	<b>Any external bodies / other/s</b>	Portfolio Holders/Shadow Portfolio Holders

<b>E – Risks and any mitigation (if relevant)</b>		
<b>1</b>	<b>Economic</b>	Not relevant
<b>2</b>	<b>Anti-poverty</b>	Exercise of the powers based on the merit of the circumstances may benefit deprived areas
<b>3</b>	<b>Crime and Disorder</b>	Some of the legislation included at <b>Enclosure 1</b> is aimed at addressing issues of crime / illegal activity
<b>4</b>	<b>Environmental</b>	Exercise of some of the powers to be delegated to the Head of Service (Regulation and Economic Development) will seek to address certain environmental matters including food hygiene and animal welfare etc.
<b>5</b>	<b>Equalities</b>	Not relevant
<b>6</b>	<b>Outcome Agreements</b>	Not relevant
<b>7</b>	<b>Other</b>	Not relevant

**F – Appendices:**

**Enclosure 1:-**

Section A lists the additional powers which may be adopted by the Council, and under which the Head of Service (Regulation and Economic Development), may exercise his delegated authority.

Section B lists the legislation which is no longer required to form part of the Head of Service (Regulation and Economic Development)'s delegated authority. It is therefore good house-keeping to remove reference to these in the Constitution.

**Enclosure 2:-** A table summarising the reasons for the additional delegated powers.

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

None

## **ENCLOSURE 1**

### **Section A:- Additional Legislation to be added to the Scheme of Delegation to the Head of Service (Regulation and Economic Development):-**

Criminal Justice Act 1988 – section 141A  
The Biofuel (Labelling) Regulations 2004  
The Financial Services (Distance Marketing) Regulations 2004  
The Cat and Dog Fur (Control of Import, Export and Placing on the Market) Regulations 2008  
The REACH Enforcement Regulations 2008  
Pigs (Records, Identification and Movement) (Wales) Order 2011  
The Beef and Veal Labelling (Wales) Regulations 2011  
Children and Families Act 2014 – section 91  
The Diseases of Swine Regulations 2014  
The Explosives Regulations 2014  
The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015  
Fluorinated Greenhouse Gases Regulations 2015  
Pyrotechnic Articles (Safety) Regulations 2015  
Measuring Instruments Regulations 2016  
Non-automatic Weighing Instruments Regulations 2016  
Renting Homes (Wales) Act 2016  
The Food for Specific Groups (Information and Compositional Requirements) (Wales) Regulations 2016  
The Food Hygiene (Wales) (Amendment) Regulations 2016  
The Caseins and Caseinates (Wales) Regulations 2016  
Public Health (Wales) Act 2017  
The Novel Foods (Wales) Regulations 2017  
The Radio Equipment Regulations 2017  
The Natural Mineral Water, Spring Water and Bottled Drinking Water (Wales) (Amendment) Regulations 2017  
The Marketing of Fruit Plant and Propagating Material (Wales) Regulations 2017  
The Disease Control (Wales) (Amendment) (Amendment) Order 2017  
The Bathing Water (Amendment) (Wales) Regulations 2017  
The Private Water Supplies (Wales) Regulations 2017  
The Aerosol Dispensers (Amendment) Regulations 2018  
The Animal Feed (Basic Safety Standards) (Wales) Regulations 2018  
The Fluorinated Greenhouse Gases (Amendment) Regulations 2018  
The Enterprise Act 2002 (Part 9 Restrictions on Disclosure of Information) (Specification) Order 2018  
The Condensed Milk and Dried Milk (Wales) Regulations 2018  
The Jam and Similar Products (Wales) Regulations 2018  
Mobile Homes (Wales) Act 2013

**Section B:- Legislation to be removed from the Scheme of Delegation to the Head of Service (Regulation and Economic Development):-**

The Animal By-products (Wales) Regulations 2006  
The Animal By-Products (Enforcement) (No.2) (Wales) Regulations 2011  
The Cattle Database Regulations 1998  
The Pigs (Records, identification & Movement) (Wales) Order 2008  
The Sheep and Goats (Records, Identification and Movement) (Wales) Order 2009  
The Swine Vesicular Disease (Wales) Regulations 2009  
The Non-automatic Weighing Instruments (EEC Requirements) Regulations 1995  
The Beef and Veal Labelling Regulations 2010  
The Chemical (Hazard, Information and Packaging for Supply) Regulations 1994  
Merchant Shipping Act 1979 in respect of :-  
Merchant Shipping (Weighing of Goods Vehicles and other Cargo) Regulations 1988  
Petroleum (Regulation) Acts 1928 and 1936  
Private Water Supplies Amendment Regulations 2016



## **ENCLOSURE 2**

<b>Name of Legislation</b>	<b>Effect of Legislation</b>
Criminal Justice Act 1988 – section 141A	Sale of knives and certain articles with blade or point to persons under sixteen
The Biofuel (Labelling) Regulations 2004	They provide a mechanism through which the labelling requirements for biofuels can be enforced by weights and measures authorities.
The Financial Services (Distance Marketing) Regulations 2004	The protection of consumers who purchase products and services 'at a distance'
The Cat and Dog Fur (Control of Import, Export and Placing on the Market) Regulations 2008	Banning the placing on the market and the import to, or export from, the EU of cat and dog fur, and products containing such fur.
The REACH (Registration, Evaluation, Authorisation and restrictions of Chemicals) Enforcement Regulations 2008	Creates an enforcement regime for the European Regulation concerning the Registration, Evaluation, Authorisation and restriction of Chemicals (REACH)
Pigs (Records, Identification and Movement) (Wales) Order 2011	Updates the previous regulations
The Beef and Veal Labelling (Wales) Regulations 2011	Updates the previous regulations
Children and Families Act 2014 – section 91	A person aged 18 or over who buys or attempts to buy tobacco or cigarette papers on behalf of an individual aged under 18 commits an offence
The Diseases of Swine Regulations 2014	Provisions for the control of swine vesicular disease
The Explosives Regulations 2014	Updated legislation governing the issuing of licences which authorise the storage of explosives
The Energy Efficiency (Private Rented Property)	These Regulations introduce measures to improve the energy efficiency of certain private rented property in England and Wales

(England and Wales) Regulations 2015	
Fluorinated Greenhouse Gases Regulations 2015	<p>The Regulations address the use of fluorinated greenhouse gases (F gas) and impact anyone who:</p> <ul style="list-style-type: none"> <li>• manufactures, sells, uses or services equipment that contains F gas, like refrigeration and air conditioning systems, solvents or aerosols,</li> <li>• produces or sells F gas, and</li> <li>• imports or exports F gas, or equipment containing F gas, to or from the EU</li> </ul>
Pyrotechnic Articles (Safety) Regulations 2015	They bring in new provisions introducing new requirements to improve the traceability of pyrotechnic articles.
Measuring Instruments Regulations 2016	Updates existing legislation
Non-automatic Weighing Instruments Regulations 2016	Updates existing legislation
Renting Homes (Wales) Act 2016	Make provision about tenancies and licences which confer the right to occupy a dwelling as a home, including provision establishing two kinds of contract for the purpose of renting homes
The Food for Specific Groups (Information and Compositional Requirements) (Wales) Regulations 2016	Updating existing legislation
The Food Hygiene (Wales) (Amendment) Regulations 2016	Updating existing legislation
The Caseins and Caseinates (Wales) Regulations 2016	Updating existing legislation
Public Health (Wales) Act 2017	Public Health provisions including: <b>Smoking</b>

	<ul style="list-style-type: none"> <li>• makes it a crime to smoke in specified places and vehicles, including many outdoor settings, with local authorities designated as enforcement authorities</li> <li>• provides for a mandatory register of retailers of tobacco and nicotine products, making it an offence for anyone to sell nicotine or tobacco products unless on the register</li> <li>• creates an offence of handing over tobacco, cigarette papers or nicotine products to persons under 18</li> </ul> <p><b>Acupuncture, body piercing, electrolysis and tattooing</b></p> <p>Requires any person performing any of these activities in the course of business to be licensed.</p> <p><b>Intimate piercing</b></p> <p>Makes it an offence to perform or make arrangements to perform an intimate piercing on a person under the age of 18 in Wales.</p>
<p>The Natural Mineral Water, Spring Water and Bottled Drinking Water (Wales) (Amendment) Regulations 2017</p>	<p>Updates existing legislation</p>
<p>The Marketing of Fruit Plant and Propagating Material (Wales) Regulations 2017</p>	<p>Updates existing legislation</p>
<p>The Disease Control (Wales) (Amendment) (Amendment) Order 2017</p>	<p>Updates existing legislation</p>
<p>The Bathing Water (Amendment) (Wales) Regulations 2017</p>	<p>Updates existing legislation</p>
<p>The Private Water Supplies (Wales) Regulations 2017</p>	<p>Updates existing legislation</p>
<p>The Novel Foods (Wales) Regulations 2017</p>	<p>The Regulations come into force on 1 January 2018 and provide for the execution and enforcement of EU Regulation 2015/2283 of 25 November 2015 on novel foods.</p> <p>Regulation 3 makes food authorities responsible for the enforcement of the Regulations.</p>

	<p>Regulation 6 revokes The Novel Foods and Novel Food Ingredients Regulations 1997 (1997:1335), The Novel Foods and Novel Food Ingredients (Fees) Regulations 1997 (1997:1336) and The Food Enzymes (Wales) Regulations 2009 (2009:3377).</p>
<p>The Radio Equipment Regulations 2017</p>	<p>These Regulations come into force on 26th December 2017 and transpose Directive 2014/53/EU of the European Parliament and of the Council of 16 April 2014 on the harmonisation of the laws of the Member States relating to the making available on the market of radio equipment and repealing Directive 1999/5/EC (OJ L 153, 22.5.2014, p.62).</p> <p>The Directive repeals and replaces Directive 1999/5/EC of the European Parliament and of the Council of 9 March 1999 on radio equipment and telecommunications terminal equipment and the mutual recognition of their conformity (OJ L 91, 7.4.1999, p.10) which was implemented in the United Kingdom by the Radio Equipment and Telecommunications Terminal Equipment Regulations 2000 (2000:730). <b>These Regulations revoke and replace S.I. 2000:730, and all powers etc remain under the Consumer Protection Act 1987</b></p> <p>Regulation 55 designates a 'weights and measures authority' as the market surveillance authority and provides that it must make adequate arrangements for market surveillance under these Regulations and RAMS (in its application to radio equipment). Regulation 56 imposes a <b><i>duty of enforcement on the weights and measures authority.</i></b></p>
<p>The Aerosol Dispensers (Amendment) Regulations 2018</p>	<p>These Regulations come into force on 12 February 2018 and amend the Aerosol Dispensers Regulations 2009 (SI 2009:2824).</p> <p>The 2009 Regulations transposed Council Directive 75/324/EEC and that Directive has been amended by Commission Directive (EU) 2016/2037. These amendments increase the maximum allowable pressure of certain aerosol dispensers, and align the labelling requirements for aerosol dispensers with the requirements in Regulation (EC) No 1272/2008 on the classification, labelling and packaging of substances and mixtures.</p>

	<p>The 2009 Regulations were made under the Consumer Protection Act 1987 which places <b><u>a duty of enforcement</u></b> upon local Weights and Measures authorities.</p>
<p>The Animal Feed (Basic Safety Standards) (Wales) Regulations 2018</p>	<p>These regulations come into force on 6 February 2018</p> <p>The Regulations transpose in Wales, in relation to animal feed, Article 21 of Council Directive 2013/59/Euratom laying down basic safety standards for protection against the dangers arising from exposure to ionising radiation, and repealing Directives 89/618/Euratom, 90/641/Euratom, 96/29/Euratom, 97/43/Euratom and 2003/122/Euratom.</p> <p>The regulations also make amendments to the Animal Feed (Hygiene, Sampling etc. and Enforcement) (Wales) Regulations 2016 (SI 2016:387) and the Official Feed and Food Controls (Wales) Regulations 2009 SI 2009:3376) in relation to improvement notices and prohibition notices.</p>
<p>The Fluorinated Greenhouse Gases (Amendment) Regulations 2018</p>	<p>These Regulations come into force on 22 February 2018, but with some exceptions which are on 1 April 2018. The Regulations make substantial amendments to The Fluorinated Greenhouse Gases Regulations 2015 (S.I. 2015:310 which are enforced by local authorities.</p> <p>They update the 2015 Regulations to include references to a number of Commission Implementing Regulations adopted since the 2015 Regulations came into force. In particular, new Schedules 4 and 5 are inserted which provide mechanisms for civil penalties which can be imposed by enforcement authorities.</p>
<p>The Enterprise Act 2002 (Part 9 Restrictions on Disclosure of Information) (Specification) Order 2018</p>	<p>This Order comes into force on 6 April 2018 and adds to the List in Schedule 15 of the Enterprise Act 2002.</p> <p>Specified information may be disclosed to enforcers of legislation listed in that Schedule. This Order relates to two sets of Regulations enforced by OFGEM.</p>
<p>The Condensed Milk and Dried Milk (Wales) Regulations 2018</p>	<p>Updates existing legislation</p>
<p>The Jam and Similar Products (Wales) Regulations 2018</p>	<p>Updates existing legislation</p>

Mobile Homes (Wales) Act 2013	It relates to permanent residential caravans. The Act allows the local authority to improve regulation within the industry, to improve conditions on mobile home sites and to ensure that the rights of residents are better protected.
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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	Full Council
<b>Date:</b>	25 September 2018
<b>Subject:</b>	Role And Accountabilities Of The Statutory Director Of Social Services
<b>Portfolio Holder(s):</b>	Cllr Llinos Medi Huws
<b>Director and Head of Service:</b>	Dr Caroline Turner – Assistant Chief Executive and Statutory Director of Social Services
<b>Report Author:</b> Tel: E-mail:	Dr Caroline Turner - Assistant Chief Executive and Statutory Director of Social Services  Dafydd R Bulman – Strategic Transformation and Business Manager
<b>Local Members:</b>	All Elected Members

<b>A –Recommendation/s and reason/s</b>
<p>The Social Services and Wellbeing (Wales) Act 2014 sets out a new direction for Social Services in Wales. Part 8 of the Act, and the accompanying Code of Practice, sets out the role of Director of Social Services. In line with the Act, this Protocol is the Council’s agreement setting out the role of the Director of Social Services which is a function that sits within the Assistant Chief Executive for Governance and Business Process Transformation.</p> <p>The protocol which is attached as Appendix 1 sets out the Isle of Anglesey County Council’s arrangement in relation to the Director’s duties. The original Protocol which was drafted 2 years ago has been reviewed in 2018 by the Assistant Chief Executive and Statutory Director of Social Services, supported by the Strategic Transformation and Business Manager, by consulting with Senior officers across the local authority.</p> <p>Recommendations:</p> <p>That the Council:</p> <ol style="list-style-type: none"> <li>1.1 Adopts the Protocol included in Appendix 1;</li> <li>1.2 Authorises the Council’s Head of Function (Council Business) and Monitoring Officer to make the necessary changes to the Scheme of Delegation for the Assistant Chief Executive (Governance and Business Process Transformation) in the Constitution, and any consequential amendments, to reflect the adoption of the Protocol in Appendix 1.</li> </ol>

<b>B – What other options did you consider and why did you reject them and/or opt for this option?</b>
No other options were discussed as Social Services and Well-being (Wales) Act 2014 Part 8 Code of Practice on the Role of the Director of Social Services set out the role of the director.

<b>C – Why is this a decision for the Executive?</b>
As the report proposes to amend the Scheme of Delegation, which is part of the Constitution, then this report must be considered by the Executive before a final decision is made by Council

<b>CH – Is this decision consistent with policy approved by the full Council?</b>
Yes

<b>D – Is this decision within the budget approved by the Council?</b>
There are no budgetary implication

<b>DD – Who did you consult?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Senior Leadership Team (SLT)</b> (mandatory)	This paper was discussed at a meeting of the Senior Management Team on the 28 <sup>th</sup> August 2018
2	<b>Finance / Section 151</b> (mandatory)	This paper was discussed at a meeting of the Senior Management Team on the 28 <sup>th</sup> August 2018
3	<b>Legal / Monitoring Officer</b> (mandatory)	The Monitoring Officer has been consulted on the content of the Protocol, and has drafted a proposed amendment to the Council's Constitution
4	<b>Human Resources (HR)</b>	
5	<b>Property</b>	
6	<b>Information Communication Technology (ICT)</b>	
7	<b>Procurement</b>	
8	<b>Scrutiny</b>	
9	<b>Local Members</b>	
10	<b>Any external bodies / other/s</b>	

<b>E – Risks and any mitigation (if relevant)</b>	
1	<b>Economic</b>
2	<b>Anti-poverty</b>
3	<b>Crime and Disorder</b>



4	<b>Environmental</b>	
5	<b>Equalities</b>	
6	<b>Outcome Agreements</b>	
7	<b>Other</b>	

<b>F - Appendices:</b>	
Appendix 1 - Role And Accountabilities Of The Statutory Director Of Social Services Under Part 8 Of The Social Services And Well-Being (Wales) Act 2014: A Protocol To Enable The Director To Fulfill The Expectations Of The Post In Ynys Mon	

<b>FF - Background papers (please contact the author of the Report for any further information):</b>	
Social Services and Well-being (Wales) Act 2014 – Part 8 Code of Practice on the Role of the Director of Social Services (social Services Function) - <a href="http://gov.wales/docs/dhss/publications/160322part8en.pdf">http://gov.wales/docs/dhss/publications/160322part8en.pdf</a>	

**ROLE AND ACCOUNTABILITIES OF THE STATUTORY DIRECTOR OF SOCIAL SERVICES UNDER PART 8 OF THE SOCIAL SERVICES AND WELL-BEING (WALES) ACT 2014: A PROTOCOL TO ENABLE THE DIRECTOR TO FULFILL THE EXPECTATIONS OF THE POST IN YNYS MON.**

**INTRODUCTION**

The Local Authority must appoint an officer, to be known as the Director of Social Services, for the purposes of its social services functions. In so doing the Local Authority must ensure that the person has demonstrated competencies specified by the Welsh Ministers (Appendix 1). These are set out in the Code of Practice issued by Ministers to support implementation of the Social Services and Well-Being (Wales) Act 2014.

Social Services are at the heart of Welsh Society and are responsible for supporting, meeting the needs of and safeguarding children and young people and their families, people who are disabled, have a learning disability, experience poor mental health and older people. Local authorities are responsible for the provision of these services and for ensuring that they meet the care and support needs of their population. The Code of Practice sets out the strategic leadership role that the Director must fulfil if the authority is to ensure the promotion of well-being and the delivery of effective care and support services that achieve the principles upon which the Act is founded. The Director must be the source of advice to the authority on all social services matters and be responsible for decision-making in relation to individuals in its area in accordance with the requirements of legislation. The Code of Practice is clear as to the arrangements that authorities must have in place, and this document considers the implications of the Code for the role and accountabilities of the Director within this Authority.

The Director of Social Services must be accountable for the quality and delivery of services for the purposes of discharging social service functions, including ensuring effective safeguarding arrangements are in place. The Director plays a crucial role in securing the essential political and corporate support for social services. The Director must provide effective service and performance management, a clear sense of strategic direction and professional leadership for staff and services; foster effective joint working relationships both within and outside the local authority, including formal integrated arrangements with health boards, and drive

delivery of improved outcomes for people. Where services are delivered in partnership, accountability for the delivery of social services functions still rests with the Director of Social Services.

The role of Director of Social Services should be understood and the Local Authority should have in place arrangements that enable the Director to fulfil their responsibilities to the full. Whilst this Protocol aims to capture that understanding, it does not stand alone, and should be read alongside the other overarching governance documents. It meets the requirements of the Code that “defined working arrangements must be put in place between the director of social services and other senior officers within the local authority to ensure that the accountabilities of the director of social services are met”.

The Code requires that “the relationship between the Head of Paid Service and the director of social services must be properly agreed and appropriately communicated to councillors, officers and partners. This must be underpinned in governance and delegation documents and should be subject to periodic review”. The Code places great emphasis on the crucially important part that the Head of Paid Service has to play in ensuring that arrangements are in place to enable the Director to fulfil the expectations inherent in the role, that this role is understood across the Authority and by partners and that the effectiveness of these arrangements are kept under review. In recognition of this, the Head of Paid Services has overseen and reviewed the preparation of this Protocol to ensure that it was produced in collaboration with all the key players. This Protocol defines the relationship and working arrangements between the Director of Social Services and the Head of Paid Services, Senior Officers and Members to ensure the accountabilities of the Director of Social Services are met. It has been agreed that the Protocol will be reviewed at least every three years, or when structural or legislative changes occur. The Head of Paid Services, in partnership with the Director of Social Services, must evaluate the effectiveness of the defined arrangements in supporting the discharge of the functions.

The Protocol has been formally adopted by the Authority’s Senior Management Team and by the Council. It draws upon the requirements of the Code of Practice sets out the Director’s

Role and Accountabilities and describes the framework of arrangements in place in the Authority to enable the Director to fulfil what is required on the Authority's behalf.

## **GOVERNANCE AND ACCOUNTABILITY OF DIRECTOR OF SOCIAL SERVICES**

### **Relationship with the Head of Paid Services**

The Director of Social Services must report directly to the Head of Paid Services, and they will have regular meeting time as part of their relationship of accountability. The Head of Paid Services must maintain a strong oversight of arrangements and ensure social services are viewed as a corporate priority. The Head of Paid Services has a pivotal role in enabling the Director of Social Services to deliver the local authority's social services functions and must ensure that corporate infrastructure supports them with their statutory accountabilities.

In this context the Head of Paid Services must ensure that the Director of Social Services: -

- Has a sufficient level of seniority to discharge the authority's social services functions;
- Be a member of the Senior Leadership team and have direct access, and directly report to, the Head of Paid Services and Elected Members;
- Must, by virtue of that membership, be able to contribute to the vision and direction of the Council and ensure that services promote the well-being of people with care and support needs;
- Ensure social services is viewed as a corporate priority;
- Ensure that the Director reports to the Council in accordance with the core accountabilities.

The Director of Social Services and the Head of Paid Services must ensure that:

- The Local Authority's Performance Framework is robust and reports on Social Services' issues across the organisation, reporting at a corporate level and to

Elected Members on the authority's performance.

- The Local Authority's Performance Framework allows the Head of Paid Services to detect and ensure correction of any systemic and ongoing breakdown in the standards and quality of care and support services.

The Director of Social Services, as a member of the Senior Leadership Team, has a duty to consider overall resource implications, including budgetary issues. The Head of Paid Services and the Director of Social Services have a responsibility to ensure Elected Members have clear advice on the level of resources required for a local authority to effectively deliver its social services functions.

The Director must:

- Ensure that the Head of Paid Services, Executive and Elected Members have access to the best, up-to-date professional advice and information on all aspects of care and support services;
- Assure the Head of Paid Services that statutory functions laid on the authority have been carried out, and that proper management information and accurate records are being kept;
- In collaboration with the Head of Paid Services, identify and advise Elected Members on priorities, challenges and risks across all aspects of social services, including circumstances where staffing issues affect the Council's ability to discharge its statutory responsibilities;
- Brief the Head of Paid Services and key Members on high-profile cases and other matters likely to cause public concern.

### **Resolving Differences:**

On occasions, it may be that differences of view and of potential advice to Councillors will sometimes arise between the Director of Social Services and other Senior Officers. Issues to do with Workforce and resource needs are particular areas where this might arise. It is important that this Protocol sets the standard by means of which these situations should be resolved and its application is illustrated below.

The matter of resource availability to meet the Authority's overall service obligations will always be a sensitive and difficult issue. There will be tensions between the need for additional resources on the one hand and to achieve savings on the other. In such a situation, the Head of Paid Service, together with the Head of Resources, have a responsibility for ensuring that Senior Officers and Councillors have clear advice on the financial position faced by the Authority and on the level of resources needed to meet the Council's statutory obligations and other policy aspirations. The Director of Social Services must provide advice on the resources needed to fulfil the Authority's social services functions and this may pose a challenge within the overall financial situation that prevails.

The working arrangements agreed between the Director and the Head of Paid Service will have to deal with situations where there are differences of view that have not been resolved by ensuring that the advice of the Director is made available to Councillors alongside the view of the Head of Paid Service.

The Authority must be committed to ensuring that decisions arrived at upon completion of this process are Corporately owned by the Authority as a whole. This approach should be implemented in other situations where there are differences of view which officers have not been able to resolve between themselves.

#### **Fulfilling the Director of Social Services' Core Accountabilities.**

The Protocol makes specific reference to the contribution that the Head of Paid Service, Senior Managers within the Social Services Department and the Head of Learning must make in enabling the Director to fulfil the core accountabilities inherent in the role. It is also important to recognise that others among the Authority's Senior Managers have an equally significant part to play. It is important to ensure that their respective roles and responsibilities are recognised, but the expectation that they will work effectively together will strengthen the performance of the Authority whilst not compromising individual areas of responsibility.

The Director must be able to call on the support of colleagues where specific inputs are needed in areas such as policy and service development, joint working initiatives and the production of Reports dealing with the fulfilment of social services responsibilities. Reports will include those to the Authority's Senior Management Team or to the Council that are made as part of normal business or which respond to a particular area of concern. The Director's Annual Report is referred to later in this Protocol and this must certainly require contributions from chief officers responsible for other service areas. Similarly, they must also be alert to the need to ensure that the Director's view is sought on all matters that could have a bearing upon the Authority's delivery of its social services functions and represented in any reports put forward for decision.

Similarly, the Director of Social Services will provide support to other chief officers in areas where the Director holds the lead responsibility. Providing advice and guidance to other departments on ways of strengthening their arrangements for safeguarding children and adults is a particularly important example of the support which the Director must provide as part of the reciprocal arrangements which should exist between the Director and other senior colleagues.

The Head of Paid Service must satisfy himself that all these arrangements are working effectively and that the Director of Social Services is able to fulfil the expectations inherent in the role.

### **Relationship with the Heads of Service and Service Managers**

Working arrangements between the Director of Social Services and other senior officers within the Social Services Department need to be explicitly negotiated. Where responsibility for the delivery of any part of social services function is outside the direct line management of the Director of Social Services, then these arrangements need to be documented to explain and ensure the effective discharge of social services functions. Responsibilities delegated in this way need to be set out in Approved Schemes of Delegation for the Social Services Department and for the Authority. However it must be clear that ultimate accountability cannot be delegated and this remains with the Director of Social Services.

The Head of Children Services and the Head of Adult Services report directly to the Director of Social Services: and they will have regular meeting time as part of their relationship of accountability. The Heads of Service provide strategic, professional and operational leadership and management within their services, ensuring relevant safeguards are in place to protect vulnerable children and people, that a good level of support is provided to those who need care and support, as well as to their carers, and promote achievement of good outcomes for children and people. A key part of their role is to ensure that the statutory accountabilities of the Director of Social Services are effectively discharged through delivery and deputising, with clear accountability for Social Services performance. Both Heads of Service have performance frameworks in place and provide quarterly performance reports to the Director of Social Services: and on a quarterly basis provide a comprehensive report on performance, financial and risk management.

The Director of Social Services will work closely with the Responsible Individual (RI) within the provider unit. The Provider unit has a Governance and Quality Assurance Policy which outlines that the Director and the RI will formally meet every six months and that the RI will publish an annual report under the Regulation and Inspection of Social Care (Wales) Act 2016. The RI has a duty to update the Director of Social Services of matters of concern when they arise.

The Director of Social Services will also work closely with Housing Services in relation to well-being and the preventative agenda which has been detailed within this policy.

In relation to the relationship with all Heads of Service, the Director of Social Services must:

- Ensure that all Services have appropriate arrangements in place to protect vulnerable adults and children. Individual Heads of Service must be accountable to the Director of Social Services in terms of their safeguarding arrangements.
- Ensure, in collaboration with the Head of Children's Services, Head of Adults services and Head of Profession (Human Resources), that appropriate systems are in place for Social Services workforce planning, training and professional development in order to promote the retention of staff and the quality of services.



- Provide strategic leadership in ensuring that individual local authority services contribute to promoting the well-being of all people with care and support needs.

### **Role of Head of Learning**

Section 27 of the Children Act 2004 requires local authorities to appoint a Lead Director for children and young people's services to co-ordinate and oversee arrangements to improve the well-being of children in the local authority area in Isle of Anglesey the person designated is the Head of Learning.

In this Local Authority the role of Director of Social Services and Lead Director for Children and Young People's services are held separately. There will be an overlap between the two roles. The Lead Director for Children and Young People's services will seek to address the well-being needs of all children. The Director of Social Services must focus on improving the well-being of children specifically with care and support needs and protecting children from harm. In implementing this Protocol, the Authority must be clear about the particular focus of each role. It is essential that they be seen as complementing each other and the individuals undertaking these respective roles must liaise regularly and formally 8 week intervals. The Senior Leadership Team must review the effectiveness of these arrangements as required.

### **Relationship with Safer Community.**

In this Local Authority the assistant chief Executive (Partnership) lead on community safety. The director of social services and the Assistant Chief Executive must liaise regularly on issues that are relevant to both areas.

### **Relationship with the Leader and the Portfolio Holder**

The Director of Social Services, in conjunction with the Head of Paid Services, must develop Leader and the Portfolio Holder' capacity to both support the role and hold post holders to account, including in relation to the production of the Annual Report. The Director of Social

Services must ensure that the Leader and the Portfolio Holder are clear about the information they should expect to receive in relation to both the discharge of specific social services functions and wider activities to promote the well-being of people with care and support needs.

The Director of Social Services will must provide the Leader and the Portfolio Holder with the best, up-to-date professional advice and information on all aspects of care and support services; that statutory functions laid on the authority have been carried out, and that proper management information and accurate records are being kept; and ensure effective performance management processes are in place.

The Director of Social Services must brief the Leader and the Portfolio Holder on high-profile issues and other matters likely to cause public concern and on strategies for improving methods of intervention, service provision, practice and use of resources. The Director of Social Services must identify and advise the Leader and the Portfolio Holder on priorities, challenges and risks across all aspects of social services, including circumstances where staffing issues affect the Council 's ability to discharge its statutory responsibilities;

The Director of Social Services will have regular meeting time with the Leader of the Council and the Portfolio Holder.

### **Relationship with Members**

The Director of Social Services, in conjunction with the Head of Paid Services, must develop Elected Members' capacity to both support the role and hold post holders to account, including in relation to the production of the Annual Report. The Director of Social Services must ensure that Elected Members are clear about the information they should expect to receive in relation to both the discharge of specific social services functions and wider activities to promote the well-being of people with care and support needs. In this context the Local Authority has established a Children's Services Improvement Panel and will utilise existing arrangements, including Member Briefing Sessions, relationship with Portfolio

Holder, the Leader, Executive and Chair of Scrutiny. This arrangement will be reviewed at least every three year.

The Director of Social Services must provide the best, up-to-date professional advice and information on all aspects of care and support services; ensure that statutory functions laid on the authority have been carried out, and that proper management information and accurate records are being kept, and ensure effective performance management processes are in place.

The Director of Social Services must will advise lead members on high-profile issues and other matters likely to cause public concern and on strategies for improving methods of intervention, service provision, practice and use of resources. The Director of Social Services must identify and advise Elected Members on priorities, challenges and risks across all aspects of social services, including circumstances where staffing issues affect the Council's ability to discharge its statutory responsibilities.

### **Relationship with Inspectorates and Regulators**

The Director of Social Services must lead and support continuous engagement and cooperation with inspectorates and regulators by all local authority officers in relation to the preparation and undertaking of any performance reviews of local authority social services functions, as well as any other care and support services provided in the local authority area. This includes ensuring inspectorates and regulators have access to all relevant information. The Director must report to the Council on the detail of any inspection or regulatory report on the performance of the local authority's social services, setting out what appropriate action is taken to improve services that promote the well-being of people with care and support needs, or prevent or delay the development of such needs, in response to that report.

### **Children and their families**

The Director of Social Services must ensure strategic arrangements are in place to provide for cooperation across the local authority and with partners for effective provision of care and

support service. Strong emphasis must be given to prevention and early intervention, as well as ease of access to information and advice. The focus must be on enabling families to be resilient and draw on their own resources and community. The aim is to support vulnerable adults and families to keep them safe, healthy and as independent as possible. We will work in partnership with our communities to ensure that they can cope effectively with change.

The Director of Social Services must provide leadership and demonstrate a strategy to manage risk confidently and effectively cooperate with the full range of partners to work with families at the 'edge of care', making sure that needs are accurately assessed and met, so that only those children who require it are accommodated and that arrangements are made at the right time. The Local Authority has a Corporate Parenting Panel of which the Director of Social Services is a member. Arrangements must provide for planning which embraces all aspects of the child's well-being, including health and developmental needs, stability and permanence, and educational attainment, and focuses on improving outcomes for looked after children. The key element of the responsibilities is to work with parents, families and foster carers to keep children and young people within their communities, where possible and appropriate.

### **The voice of services users**

The Director of Social Services has a role in listening to services users' voices and concerns. The Social Services and Well-being (Wales) Act 2014 provides the legal framework for improving the well-being of adults and children who need care and support, and carers who need support, and for transforming social services in Wales. The Director of Social Services will ensure that services are promoting people's independence to give them stronger voice and control.

### **Well-being and overarching duties**

The Director of Social Services must have regard to the well-being duty and other overarching duties in relation to how the local authority exercises all of its social services functions. The Director of Social Services must ensure that the local authority and partners develop a strategic approach to prevention. The Director of Social Services must show strategic

leadership in ensuring all services in the local authority area seek to promote the well-being of all people with care and support needs.

In so doing, the Director will be able to call on the wider resources of the Local Authority. The Director of Social Services will promote co-operation within the local authority. The individual Heads of Service and the Pennaethiaid (Head of Services monthly meeting) as a collective governance body has a key role and accountability in collectively seeking to ensure that the wellbeing of all the Island's residents are met.

### **Co-operation, partnership and integrated working**

The Director of Social Services must lead on the development of effective arrangements, including at regional partnership level, to promote co-operation to:

- improve the well-being of people with care and support needs, including carers who need support;
- improve the quality of care and support for people, including support for carers;
- protecting adults with care and support needs who are at risk or experiencing abuse or neglect; and
- protecting children who are at risk or experiencing abuse or neglect

The Local Authority has frameworks in place to support this objective, including participation in the Regional Partnership Board, and the Regional Collaboration under the North Wales Social Services Improvement Collaborative. The Director of Social Services will be a member of both boards and support the work of the boards, and ensure information from the boards clearly demonstrates how any social services functions have been discharged. The Director of Social Services must ensure this regional co-operation leads to improved effectiveness and efficiency in relation to the delivery of care and support services to address care and support needs, and support needs for carers, identified in the Population Assessment Report.

The Director of Social Services must seek to develop an effective environment to promote cooperation in relation to people with care and support needs with external partners, including the Local Health Board, North Wales Police, the third sector and independent sector. On a local basis the Director of Social Services leads the collaboration with the Local Health Board through West Integrated Health and Social Care Meeting which reports to the Public Services Board. The Director of Social Services will meet with the umbrella body for the third sector – Medrwn Môn – on a regular basis: and at least annually will meet with representatives of the third sector and independent sector.

The Director of Social Services will report to the Head of Paid Services, as a member of the Public Services Board, to ensure that any problems of inter-agency co-operation and gaps between services are identified and resolved.

It is important to recognise that the Director's input to and the contribution made by these partnerships does not in any way affect, weaken or cloud the Director's accountability to Ynys Mon County Council for the effective fulfilment of its social services responsibilities.

### **Citizen and community engagement**

The Director of Social Services must ensure that, in identifying the range and level of services required to respond to care and support needs identified by the population assessment, a co-operative approach to the planning, development, procurement and delivery of services is taken. The Local Authority has participation forums and process to support this, including the Community and Town Council Forum. This role will be undertaken jointly with the Assistant Chief Executive (Partnerships)

### **Safeguarding**

The Code of Practice places great emphasis upon the importance of the Safeguarding role: "Safeguarding children and adults at risk of abuse or neglect is everyone's responsibility. However, the director of social services must show leadership to ensure effective

safeguarding arrangements are in place both within the local authority and with relevant partners”

The Director of Social Services must show leadership to ensure effective safeguarding arrangements are in place both within the local authority and by relevant partners. In this context the Director of Social Services is a member of the North Wales Regional Safeguarding Boards. In the absence of the Director, another officer who is acceptable to the Director and of sufficient seniority may attend in their place. The Director of Social Services must support effective partnership working and ensure safeguarding duties are effectively discharged collaboratively by Safeguarding Boards. These include in relation to:

- Contributing to the review and development of policies and procedures to safeguard children and adults at risk
- Raising awareness of abuse, neglect and harm in a Board’s area
- Regularly reviewing the effectiveness of local safeguarding measures
- Undertaking and ensuring lessons are learnt from Child Practice Reviews and Adult Practice Reviews
- Disseminating information about safeguarding best practice and learning
- Ensure practitioners across all safeguarding partners are receiving or have access to appropriate safeguarding training
- Ensuring there are effective, understood and publicised arrangements for the reporting of children and adults suspected of being at risk of abuse or neglect.

The Director chairs the Corporate Safeguarding Board (Strategic) ; membership includes all Heads of Service and the Senior Management Team, and meets quarterly. The Local Authority has in place its Corporate Safeguarding Policy, Action Plan and reporting Framework which places the expectations on all services and their accountability to the Director of Social Services in respect of safeguarding. The Director is supported in her role by the Services Manager for Safeguarding and Quality Improvement. Her/His role is to provide advice to the Director on relevant policies and procedures. Each service has a safeguarding lead who is a member of the Corporate Safeguarding Board (operational). The accountability for

operational matters in the handling of individual cases is through the direct line management of the Head of Adult and Head of Children Services.

On an annual basis each Head of Service will identify their Safeguarding objectives for the year, which will be reflected in their Service Delivery Plan. On behalf of the Director of Social Services, the Corporate Performance Manager will ensure that this is applied consistently in the Service Delivery Plan, and will report to the Corporate Safeguarding Board on this matter. On a quarterly basis each Head of Service will review their progress in relation to the delivery of their Service Delivery Plans, including the Safeguarding objectives.

On behalf of the Director of Social Services, the Corporate Performance Manager will ensure that this is applied consistently, and will report to the Corporate Safeguarding Board on this matter. These arrangements will ensure that the Director of Social Services is able to assure herself/himself on the robustness of the safeguarding arrangements in place.

The Director of Social Services will report to Elected Members, at least annually, regarding the operation, monitoring and improvement of child and adult safeguarding systems within the local authority.

### **Social Services Workforce Strategy**

The Director is responsible for ensuring that the social services workforce is sufficient in number and has the skills and experience necessary to meet the needs of people in the Authority's area. Having such a workforce in place is a prerequisite to the effective delivery of services and to the fulfilment of the Authority's social services responsibilities. The Director must work with others, and importantly the head of human resources, to ensure that the Authority has a Workforce Strategy which reflects the particular needs and circumstances relating to the social services workforce and particularly to the market place relating to social workers and their managers.

The Director of Social Services has a strategic leadership role to promote high standards across the care and support workforce, including the private and third sectors. The Director



of Social Services must ensure that Social Care Workforce Partnership Board functions effectively and ensures that a whole sector workforce plan is in place. The Director has a key role in promoting collaborative workforce learning through networks and relationships with other bodies, including Bangor University. The Director of Social Services must, in collaboration with the Head of Children's Services, Head of Adults Services and Head of Profession (Human Resources), ensure that the Local Authority has Workforce Strategies in place for Children Services and for Adults Services.

The Director of Social Services must ensure the local authority has overarching personnel and safe recruitment policies, supporting the requirement for a social care workforce to provide effective care and support services, including the need to ensure capacity to provide local authority social services functions through the medium of Welsh. The Director and Head of Services will provide strategic leadership to ensure that the requirements of Mwy na Geiriau are met.

The Director must advise Elected Members, partners and other providers where workforce shortfalls inhibit the local authority's capacity to discharge statutory responsibilities and set out actions necessary to rectify these issues.

The Director must also anticipate changes in the future supply of workers across the sector as the wider economic and social circumstances change, including the impact of major development and legislation changes.

### **Annual Report**

The Director of Social Services must prepare and publish an Annual Report about the exercise of the local authority's social services functions as soon as practicable after the end of the Financial Year. The Annual Report will be presented to the Council and must evaluate the performance of the local authority in relation to the delivery of its social services functions in respect of that year and include lessons learned. It is the Authority's report on performance and must also explain how the Authority's wider functions, such as education, housing, leisure

and transport have contributed and will contribute to the achievement of individuals' well-being outcomes. It must also set out objectives in relation to promoting the well-being of people who need care and support, and carers who need support, for the forthcoming year. Other chief officers must contribute to the Report from their areas of responsibility. The Report must provide:

- Assurance that structural arrangements for delivering social services are strong;
- Assurance that partnership working is effective;
- Assurance that safeguarding arrangements are strong;
- Information on the handling of representations and complaints and on the lessons learned from them;
- The response to any Inspections;
- The Authority's implementation of the Welsh Language Strategic Framework "Mwy Na Geiriau"

The Director is responsible for ensuring that the Report reflects:

- The views of service users and carers, including children and their parents, on how the Authority has discharged its social services function;
- The statutory social services performance information. This must be provided and must show how this has been secured;
- The views of partner agencies and providers on partnership working;

The Report must show how the Director has engaged with people in its production and how it reflects the experience of service users and service providers.

The report must be written and prepared in an accessible format, must be published and made available to the public and to Welsh Ministers.

#### **ENSURING EFFECTIVE IMPLEMENTATION OF THE PROTOCOL.**

The effective operation of the Protocol must be considered on a regular basis in the meetings which take place between the Director of Social Services and the Head of Paid Service. Any immediate action to remedy defects must be agreed and implemented. Additionally, the

Head of Paid Service and the Director must undertake a formal review on an three years or more frequently if this proves to be necessary. Each review must involve the senior management team and be reported to the Council so that any amendments that may be needed to strengthen the Protocol can be made.

### **Competencies of a Director of Social Services**

The local authority will use the competences of Director of Social Services as set out in part 8 para 91 under the Social Services and Well-being Act 2014 when appointing or designating a Director of Social Services which is outlined in Appendix 1.

## **Appendix 1**

### **Competencies of a Director of Social Services (Part 8 of the SSWBA 2014)**

A local authority may not appoint a person to be its director of social services unless it is satisfied that person has demonstrated the full set of interrelating competencies that define the knowledge, skills and behaviours required of the role. These competencies are generally consistent with the Welsh Public Service Leadership Behaviours Model.

#### **Core Qualities**

##### **Self Awareness and Learning**

- demonstrate vision, creativity, adaptability, innovation and emotional intelligence with an outward looking approach to learning and development for yourself and others
- committed to the continuous development of all services and people across all sectors involved in the delivery of care and support services

##### **Drive for Results and Resilience**

- substantial experience in the management and delivery of effective care and support services
- knowledge of the legislative and structural context of social care services in Wales, particularly the Social Services and Well-being (Wales) Act 2014
- is willing to hold themselves to account as well as others for the delivery of results and outcomes

#### **Future Working**

## **Championing Innovation & Change**

- strong professional leadership capabilities, able to achieve and inspire change and improvement through influence, openness and effective communication
- able to proactively promote and facilitate the integration of, and collaboration between health and social services to achieve improved outcomes for people with care and support needs

## **Strategic Orientation**

- knowledge and experience in workforce planning and development with a good understanding of the importance of an effective workforce in all sectors
- able to hold people and services to account by ensuring appropriate information flows and systems, reporting lines and professional and management audit methods are in place

## **Working with Others**

### **Building Collaboration and Partnership**

- able to promote effective partnership working, contributing to the development of collaborative and co-produced solutions between the public, independent and third sectors in the planning and delivery of services that maximise expertise and resources
- able to demonstrate strategic evidence-based decision making to collaboratively develop effective care and support services
- is adaptable and flexible in their leadership style and willing to learn from others to improve service provision

## **Political Awareness and Skill**

- demonstrate understanding and experience of working at a senior level in
  - publicly accountable national and local political contexts
  - good knowledge of the operational environment of independent and third sector organisations that provide care and support services

## **Delivery**

### **Focusing on Citizens and Value**

- ensure an approach is taken by the local authority and all partners which seeks to promote the well-being of people who need care and support, and carers who need support
- provide strategic leadership so that all care and support services are designed and delivered in partnership with citizens and focused on enabling them to achieve their own well-being
- demonstrate excellent financial management skills within local authority and shared budgets

### **Sharing Leadership**

- able to show values-led leadership to achieve the commitment of staff and managers at all levels to maintain high standards and good practice through empowering them to show ambition and take responsibility

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	The Full Council
<b>Date:</b>	25 <sup>th</sup> September 2018
<b>Subject:</b>	Annual Director's Report on the Effectiveness of Social Services 2017/18
<b>Portfolio Holder(s):</b>	Councillor Llinos Medi
<b>Head of Service:</b>	Alwyn Jones, Head of Adult Services and Fôn Roberts, Head of Children and Families Services
<b>Report Author:</b>	Dr Caroline Turner, Statutory Director of Social Services and Assistant Chief Executive
Contact Officer: Tel: E-mail:	Emma Edwards/ Elin Williams 01248 751887 / 751813 <a href="mailto:emmaedwards@ynysmon.gov.uk">emmaedwards@ynysmon.gov.uk</a>
<b>Local Members:</b>	Relevant to all Members

<b>A –Recommendation/s and reason/s</b>
<p><b>Purpose of the report:</b> To receive and make suggestions on the final draft report presented by the Statutory Director. The purpose of the report is to promote awareness and accountability for the performance and progress made over the past year in delivering Social Services within Anglesey County Council. The report also outlines the focus for improvement for the forthcoming year.</p> <p>Please note that the final report, once agreed, will be published on the Council's website using an interactive PDF – which will allow for electronic links to web sites and case studies etc – making the report more visually interesting and colourful. The template for which is being designed by our Graphic Designer and Digital Marketing Officer.</p> <p><b>Service Challenge Day</b> The Service held a Service Challenge session on the 14<sup>th</sup> June 2018 and partner organisations, third sector organisations, carers, providers and Service Users representatives were invited to attend the event. The event was well attended.</p> <p>Attendees were presented with key overview messages from Caroline Turner, Assistant Chief Executive, in her role as Statutory Director of Social Services as well as from Alwyn Jones, Head of Adults Services and Fôn Roberts, Head of Children and Families Services. The Service Challenge Day provided an important opportunity to engage with our key stakeholders in reviewing progress and identifying priorities.</p> <p><b>Timetable</b> The report was presented to the Corporate Scrutiny Committee on the 5th July 2018 and</p>

the final report is being shared with the Executive Committee on the 16<sup>th</sup> July 2018, and then to the Full Council on the 25<sup>th</sup> September 2018. Furthermore, the final report will be published on the Council's website via an Interactive PDF.

**Recommendations**

- 1.1. That Members adopt the the Isle of Anglesey County Councils' Annual Director's Report on the Effectiveness of Social Services 2017/18.

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

Not applicable.

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

Report approved by the Executive Committee on the 16<sup>th</sup> July 2018.

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

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

Yes.

**DD – Who did you consult?**

**What did they say?**

1	<b>Chief Executive / Senior Leadership Team (SLT)</b> (mandatory)	This was approved by the SLT on the 26 <sup>th</sup> June 2018.
2	<b>Finance / Section 151</b> (mandatory)	As above.
3	<b>Legal / Monitoring Officer</b> (mandatory)	N/A
4	<b>Human Resources (HR)</b>	N/A
5	<b>Property</b>	N/A
6	<b>Information Communication Technology (ICT)</b>	N/A
7	<b>Procurement</b>	N/A
8	<b>Scrutiny</b>	The Corporate Scrutiny Committee gave detailed consideration to the Annual Report of the Statutory Director of Social Services for 2017/18

CC-016749-LB/229501



		and resolved as follows:  "It was resolved to accept and to note the Annual Report of the Statutory Director of Social Services for 2017/18 and to recommend the report to the Executive".
9	Local Members	N/A
10	Any external bodies / other/s	N/A

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

<b>F - Appendices:</b>		
Appendix A – Annual Director’s Report on the Effectiveness of Social Services 2017/18		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		

# Ynys Môn

THE ISLE OF

# Anglesey

Annual Directors Report  
on the effectiveness of  
Social Services

2017 -18



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL



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This document provides a summary of our annual self-assessment. We believe it outlines some of our key achievements in the past year, as well as highlight the challenges that need to be addressed in the coming year. It has been prepared as an inactive document, which is best read online to maximise the opportunity to link electronically to supporting documentation and external web sites.

We welcome any comments on the format and content of this report, in order to assist our improvement journey.

## Director's Introduction & Summary of Performance



**Dr Caroline Turner**  
Assistant Chief  
Executive and  
Statutory Director  
of Social Services

I am pleased to present the third Annual Report under the Social Services and Well-being Act (Wales) 2014. Over the past twelve months I'm pleased with the progress that we've made in working corporately with the Housing and Education Services to deliver integrated support. Our collaboration with partners has also improved, in particular with Betsi Cadwaladr University Health Board, North Wales Police and our Third Sector partners.

We've made significant progress in improving Children and Families' Services during 2017-18, and this has been recognised by Care Inspectorate Wales in their letter in January 2018. There have been a number of key elements to this:

- We've reviewed the support provided to most of the children and young people who are either Looked After; on the Child Protection Register or in receipt of a Care and Support Plan; this has ensured that we're providing the most appropriate level of support. This allows our Social Workers to focus on the children and young people and their families who need support and protection.
- We've also strengthened the support available to families whose situation does not require intervention by Social Workers, but who do need additional support at this time. Teulu Môn is a new team that has been operational since October 2017, with significant additional resources. The new Prevention and Early Intervention Strategy will enable us to commission targeted interventions for children, young people and their families, making effective use of the Families First grant.
- For those families whose needs are greater, the Resilient Families Team, established in October 2017, has already provided intensive support for families who are at risk of having their children taken into care, or to facilitate the return home of some children and young people, where that is appropriate.

I would like to thank Leighton Rees and Llyr Bryn Roberts for leading the Service so effectively during 2017; I was pleased to welcome Fôn Roberts to the post of Head of Service in December 2017. Our improvement journey continues, and our aim during the remainder of 2018 will be to ensure that professional practice amongst our Social Workers is consistently good, and that we see an improvement in our Performance Indicators. We will also be seeking to increase the number of foster carers and residential placements for children "who are looked after" closer to home. We will be strengthening the support available to young people as they prepare to leave our care, giving them the support and assistance to become responsible and independent young adults. We continue to meet regularly with Care Inspectorate Wales, and provide them with examples of our improvements, as we prepare for a re-Inspection later in 2018.





Our support to the people of Anglesey is a corporate responsibility, and is not limited to statutory Children and Adult Services. We have undertaken some innovative work to raise awareness of the impact of Adverse Childhood Experiences during this year, and have also arranged for all Council employees to receive training on Violence against Women, Domestic Abuse and Sexual Violence. We're seeing a small but significant increase in serious crime on the Island, with some of that targeted at vulnerable people, whether adults or children. The problems that we associate traditionally with inner cities are now affecting North Wales, and Anglesey is not immune to these trends. Our services will therefore continue to work in partnership with North Wales Police and Third Sector Partners to provide support to those affected, but also to raise awareness amongst our communities to try to prevent people from being drawn into these activities. Housing Services, Children and Families Services and the Lifelong Learning Service have been particularly active in their targeted support for a number of communities affected by these issues during 2017, and will continue to do so.

I am pleased with the progress that Adults' Services have made this year, in particular with the re-modelling of Garreglwyd in Holyhead so that we are able to provide specialist support for older people with dementia, enabling them to remain on Anglesey, closer to family and friends. Hafan Cefni, the new Extra Care facility in Llangefni, will open later in 2018, and will also enable more people to stay within their community as their care and support needs increase. We have begun the process of tendering for new Domiciliary Care arrangements, and look forward to awarding the contracts soon; this will also improve services on Anglesey, and ensure improved access and a consistency of service across the Island. All of these improvements will enable us to support our health colleagues as we jointly try to reduce the problem of Delayed Transfer of Care from our hospitals.

We will continue to review and improve our support for those with Learning Disabilities, ensuring that the arrangements are appropriate and make effective use of resources; we will co-produce any new arrangements with third sector providers, listening to the views of service-users, families and service providers as we make any changes. I am pleased that we have seen an improvement in the percentage of carers of adults who requested an assessment or review in their own right during the year; we have also seen an improvement in the percentage of adults who completed a period of reablement and have no package of care and support six months later. Enabling people to maintain or regain their independence, and remain at home where possible, is important for the quality of life for those affected, and the support provided by families and communities will become increasingly important as the pressure on public budgets remains, building on a strong tradition of looking after our families and neighbours within our communities.

I would like to thank our Elected Members for their challenge and support over the past year. Their input into policy has strengthened some of our proposals, and is important since they are able to articulate the views of their constituents. In particular, the work of the Children's Services Improvement Panel has been instrumental in overseeing the improvements in Children and Families' Services throughout the year, and the arrangements were strengthened and formalised as part of the Scrutiny arrangements following the May 2017 local authority elections. The interaction between Members of the Panel and managers from Children's Services, as well as the regular Laming visits that have recently been re-instated, have assisted

members to understand the complexity of the services provided to children, young people, their families and carers, leading to enhanced challenge and scrutiny, but also to improved support as we continue to make changes and improve the service.

**Dr Caroline Turner**

Assistant Chief Executive and Statutory Director of Social Services

## How are People Shaping our Services?

Our business revolves around people, our citizens, our clients, our staff and our partners. This has been prepared in a more accessible format, to encourage the people of Anglesey to read it, develop an understanding of the breadth of our services, and participate in any consultations about the ways that we can improve our services.

As a Council we are fully committed to providing a bilingual service. Anglesey Social Services are continuing to work towards the Welsh Government Strategy Framework 'Mwy Na Geiriau' (More than Words), and currently 81% of Children's Services staff and 74% of Adult Services staff that responded are almost fluent or are fluent Welsh speakers. This is an increase on previous year's figures.

We communicate regularly with individuals and partner organisations in order to gather information, views and opinions. Consultations, meetings, events and questionnaires have been used over the year to help us understand what's important to those we are most trying to help. This in turn helps shape our improvement plans and helps to prioritise our work. Examples of this would be the Seiriol Ward engagement with regard to the development of an Extra Care provision.

Working closely with our partners is of vital importance in the current climate. Co-producing care and support with individuals, communities and organisations allows us to do this and to challenge, adapt and change current models of care.

The development of Gŵyl Integ / INC fest is a positive example of Coproduction – this was an idea that came from a parent that grew and then became a reality through the willingness of Specialist Children's Service/ Families First and Third Sector (Carers Outreach) to work in partnership to make the event happen. This took place on the 28th March 2018 and was a great success with many children, families and adults attending. There were information stalls; activities; music workshops and live bands.

We have also continued to work with the community, third sector organisations and other partners to strengthen partnership working. We also continue to work within the community through our Multi-Disciplinary Teams and Local Asset Coordinators.

We have the Anglesey Foster Care Forum which aims to improve and develop the fostering service on Anglesey by working together as a team, in order to improve the quality of life of Looked After Children on Anglesey. We also have an annual survey asking foster carers for their views on everything from the support they receive to the training they have undertaken. We have also developed a new mentoring scheme with our foster carers as part of a pilot project with the fostering network. As part of this, we held consultation sessions with foster carers and the feedback was fed in to policies and guidance.

The Regional Partnership Board which includes Anglesey have published a new 5 year plan for how health and social care services will work together to meet the care and support needs of people in North Wales. The plan sets out priorities for integrating services between health and social care across North Wales for all people. It's been written in response to the population assessment which highlighted an increase in the need for care and support. People across North Wales have taken part to have their say about the shape of future services. The plan is available at: <https://www.northwalescollaborative.wales/north-wales-population-assessment/regional-plan/>

Ynys Môn Adults Services are also drafting their commissioning plan for the future and will be published at the end of 2018/19 financial year.

We also learn from complaints that are made and the number of complaints for Children's Services has gone down during the second part of the year. Both Children and Adult Services are doing well in meeting complainants to discuss complaints but we need to ensure we write to all complainants within 5 days of meetings. In terms of positive comments, a total of 232 positive comments were recorded during the year (96 for Children's Services and 136 for Adult Services) – an increase on the previous year's total of 202.





## Quality Standard I

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### Working with people to define and co-produce personal well-being outcomes that people wish to achieve

#### Adults

Our **Single Point of Access or SPOA** is the first point of contact and gives individuals access to clear and understandable information, advice and assistance, and where necessary considers whether the individual requires further assessment. It supports adults aged 18 years and over, including carers.

We will review the effectiveness of our SPOA service to ensure it complies with the Social Services and Well-being (Wales) Act 2014.

During the year we reviewed our **advocacy arrangements** and put in place a new contract, in partnership with Gwynedd Council. North Wales Advice and Advocacy Association now provide instructed advocacy across all adult user groups, self-advocacy support and engagement with specific projects. This puts us in a better position to meet the requirements of the SSWBA and to promote best practice.

**Môn Community Link**, the Third Sector and community point of access run by Medrwn Môn continues to provide Information, Advice and Assistance regarding community activities, groups and classes. The Council and Medrwn Môn are continuing to work in partnership with different Council departments and local organisations to populate the **Dewis Cymru** website with local information about provision for supporting people's well-being.

#### Children and Families

Teulu Môn is the Children and Families Service's Information, Advice and Assistance hub that has been set up in response to the SSWB Act and includes the duties of the Family Information Service under the Childcare Act 2006. We are passionate about ensuring that every child; family and all professionals have easy access to up-to-date information, advice and support. We have also recently made arrangements with Dewis Cymru who will provide access via their web site for the families of Anglesey to access information.

The engagement officers have participated in several Môn events to promote the service. These events include family fun days, festivals, the national Eisteddfod, Sioe Môn and a unique festival promoting the inclusion of children with disabilities.

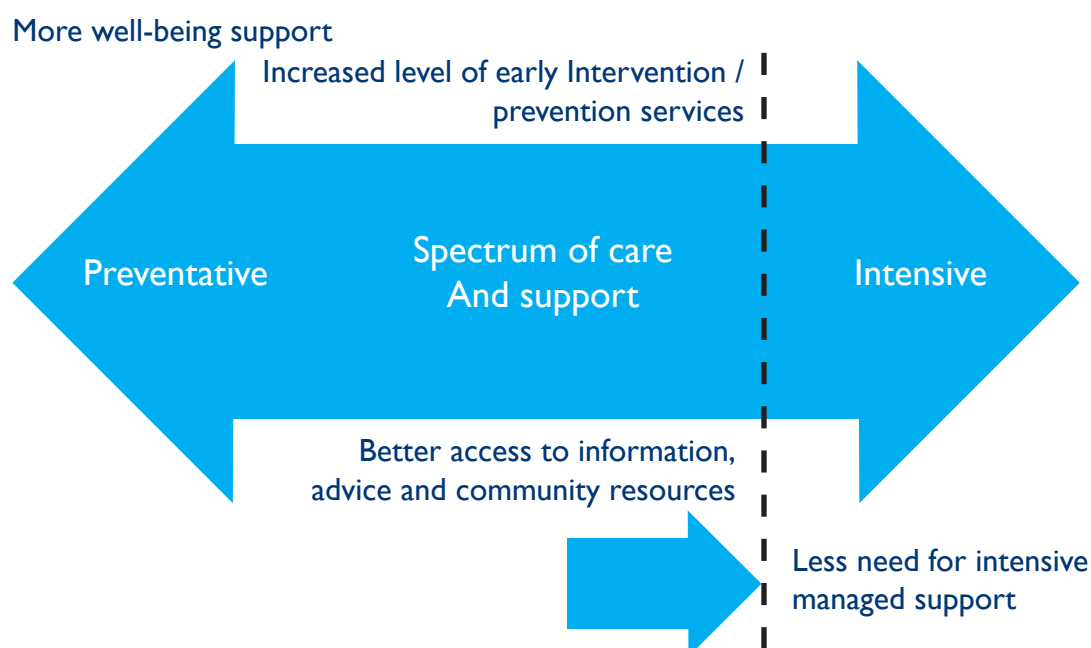


Engagement officers in Teulu Môn have the 'What Matters' conversation with individuals to consider how they can be supported to use their own strengths and resources to achieve well-being and personal outcomes. Well-being is about a person being happy, healthy and comfortable with their life and what they do. We have invested in training for the engagement officers in Motivational Interviewing and Brief Solution Focused Therapy to build upon and improve our current skill set. A representative from Social Care Wales who spent the day with Teulu Môn, noted that the staff were very happy and committed to their job and were presenting an excellent front door service to callers in terms of their customer service skills.

When assessing eligible needs, starting with the 'What Matters' conversation, workers now focus on people's strengths and available community support, and work with individuals (including carers) on how best to utilise what is available to them to meet their needs. Considering the family dynamic is essential in this process. When this has been done and it's considered that formal care is required to assist an individual or family, a care and support plan is developed.

Early intervention is about helping to prevent young people and families with children of all ages from developing problems which are difficult to overcome. By equipping families with the skills and support they need at an early stage, we are more likely to prevent them from running into difficulties at a later stage, and more likely to help families develop intergenerational cycles of positive parenting, relationships and behaviour. By building on the strengths of parents we can help them create supportive and enriching environments for their children to achieve their potential and to mirror their positive behaviours.

## What is the Act trying to achieve: Prevention



Our aim is to enable vulnerable families to be better able to manage their problems and provide a suitable, safe and secure environment for their children. This would involve:

- **BUILDING** resilience in children, young people, parents, carers and the community.
- **PREVENTING** need escalating by the early identification of issues and effective intervention.
- **PROTECTING** from significant harm by offering intensive and effective intervention.

The Teulu Môn model works well if families are motivated to access provision and support and if the provision is available and accessible. However families which escalate often either have little recognition of their issues, or have a vested interest in not being open about their circumstances.

Our evidence also suggests that we can predict who the most vulnerable families are and are already known somewhere in the system.

The objectives for our Teulu Môn Service are therefore:-

- To establish a comprehensive database of resources and services in a format that is accessible and available to children and families.
- That the Information, Advice and Assistance hub provision is appropriately resourced.
- To establish an interface and possible integration with other information and advice services.
- To build links and relationships with key stakeholders to ensure they understand their role in the process and have the skills needed.
- To establish systems, skills and processes to gather the necessary content of the 'What Matters' conversation either directly or via the referring agencies.
- To establish intelligence systems to gather broader information to establish the extent and nature of risk and vulnerability.

We offer active intervention in circumstances where there is a significant risk of escalation, with a view to deescalating that need. In this context the escalation we are concerned about means:-

- The risk of significant harm/ being placed on the child protection register
- The need to go into the Public Law Outline (PLO) process
- The need to go into Care Proceedings
- The need for children to remain in the looked after children system.

Our model of intervention seeks, wherever possible and appropriate, to deal with matters at the pre-statutory services level. In that context all circumstances that do not involve a Section 47 investigation or removal to care will be dealt with by the Early Intervention and Prevention Service in that way. This will be by staff designated in the Team around the Family, Social Worker practice groups and a new stepping forward service. The investigation of significant harm (S47 investigations) complex care and support assessment or removal to care will be led by the Social Work practice groups.

**Adverse Childhood Experiences (ACE)** are harmful experiences that may affect children's development and impact their health, behavior and opportunities in adult life. We are eager to embed our knowledge around the ACE's agenda and have provided training to all staff to improve their understanding.

### **Specialist Children's Services (SCS)**

Having the dedicated Information, Advice and Assistance (IAA) Social Worker has proved to be an effective way to manage new referrals coming into the service. As it was not practical for the IAA Social Worker to continue to assess the new referrals that were specifically for Health services, such as behaviour management, skills development, complex health needs, the children's community learning disability nursing team have set up 'screening' clinics as a way of assessing new referrals.

### **Priorities 2018/19**

- We will continue to work with all organisations and partners to strengthen partnership work, and improve our communities for all our citizens.
- To complete the evaluation and remodel of our SPOA to ensure it becomes a truly integrated with Betsi Cadwaladr University Health Board and Medrwn Môn.
- To use Families First funding to pilot a new hybrid post – Disability and Wellbeing Co-ordinator. This follows the development of Teulu Môn and a review of referral process.
- We will improve practice across the whole of Children's Services and ensure consistency in terms of assessments, statutory visits, recording and providing support.
- Embed new ways of working, ensuring all referrals to the integrated team come into the Specialist Children's Service via Teulu Môn, and complete a 'What Matters' Conversation. In turn the Practice Leader will decide how the referrals should progress, either to TAF/Teulu Môn, Specialist Children's Services or signposted to universal or alternative non statutory services.
- Teulu Môn will continue and build upon existing Engagement Strategy, making links with communities, families and individuals on Anglesey.
- To create an ACE's aware local Authority and for staff to be trauma aware.

### **Measuring Quality Standards 1:**

- 94.25% of people reporting they were treated with dignity and respect
- 91.92% of service users responding positively to the question "Overall, how satisfied are / were you with the care and support services you received?"
- 92.60% of adults who receive a support package from social services who report that they are satisfied with the service they are receiving
- 92.60% of adults who receive a support package from social services who report that they are satisfied about how the services they received were meeting their needs

## Quality Standard 2

### Working with people and partners to protect and promote people's physical and mental health and emotional well-being

#### Adults

Môn Enhanced Care Team Service September 2017 - March 2018:	
Number of patients referred	117
Visits completed	533
Hospital admissions avoided	91
Bed days saved	409

**Môn Enhanced Care Team (MEC)** continues to support prevention of admission into hospital of frail, elderly people with multiple health conditions. MEC plays a part in promoting independence and re-ablement. An Advanced Practice Paramedic has now joined the MEC Team. This role has increased service capacity to accept acutely ill patients at home from Welsh Ambulance Service Trust (WAST) directly.

A meeting of the **Loneliness and Isolation Group** was held in year with input from all stakeholders including voluntary organisations and Age Cymru Gwynedd a Môn. A lack of community transport was identified as a prime reason for loneliness and isolation particularly in rural areas, and as a consequence a summit on this specific matter is taking place to formulate a joined up approach to tackle this matter.

As part of the continued development of Age Friendly Communities, Community Hubs are being developed across the Island and a hub will be based in the Extra Care facility in Llangefni

The Night Owls service is providing on-going care and support for people overnight in their own homes

Adult Services now operates a full Seven Day Service focussing on preventative care; avoiding unnecessary hospital admission or delayed discharge

We continue to establish Community Alliances via our Building Communities Model. The Seiriol Community Alliance is well established.

*"It is reassuring to know that there are imaginative, hardworking, clinically able individuals to advocate on behalf of our client group and move services forward into the future. They are very committed and listen to support and advice offered and question practice where appropriate."*

We provide and commission a range of **day care and work based opportunities across Anglesey** for individuals with **learning disabilities**, including people with very complex needs. The services offer differing opportunities, including developing independent living skills, work skills, social skills, community presence, and the provision of respite for carers. Most services have a commercial aspect with gardening services, woodwork, arts and crafts on offer allowing individuals to experience a real business environment.

The **Community Support Services Team** is an integral part of our delivery of community based mental health support. The team receives grant funding from **Supporting People** and delivers housing related support to people in primary and secondary care. Support is provided to people with moderate to complex needs in a range of community settings including people living in their own homes and in two supported living schemes where individuals are supported to develop the skills necessary for independent living. During the year the team has worked closely with partners in the housing sector to secure suitable move-on accommodation from the supported housing schemes. The team actively promotes recovery and well-being and works with a range of local providers in the Third Sector to reduce stigma, promote social inclusion and deliver person centred support.

The **Reablement Service** is for adults aged 18 years and over to get them 'back on their feet' by regaining their independence following a period of illness, disability or loss of self-confidence and empowering them to manage their health and well-being. Integral to this service is provision of equipment and assistive technology which support independence. Much of this equipment is provided through a loans store provided jointly the Health Board, Conwy and Gwynedd Social Services.

We continue to have 3 dedicated intermediate care beds available at Plas Mona residential care home in Llanfairpwll. These continue to be used to facilitate hospital discharges where a further period of reablement is required, they are also used as 'step up' beds to prevent hospital admissions for individuals who require a further assessment period. It is planned that intermediate care beds will be available within our Extra Care Housing schemes in both Penucheldre and Hafan Cefni during the next year.

**Multi-Disciplinary Team** - We continue to have multi-disciplinary teams based in the Penrhos Stanley Hospital in Holyhead, Amlwch Health Centre and Plas Mona. In addition, we continue to have intermediate care resources for short term placements within care homes on the Island to manage crisis situations and also fast track hospital discharges. The Multi-Disciplinary Teams are crucial to good practice. We have continued to strengthen multi partnership working via Model Môn and are further enhancing partnership working with our domiciliary care providers.

One key element of the Ageing Well Action Plan is 'Falls Prevention'. A partnership between the Council's Leisure Department and the Health Board, the Service continues to offer a wide range of interventions to the over 65s on Anglesey to help reduce the risk of having a fall and the fear of falling. One key element of the Ageing Well Action Plan is 'Falls Prevention'.

*“You were all so kind. Nothing was too much for you – caring and compassionate staff that you are. Indeed, you are a magnificent team, I can vouch for that. Brwynog is really a home from home. Many thanks to you all.”*

*– Brwynog,  
Adult Services*

*“Simply the best place. Fantastic Team. Lovely atmosphere, friendly, calm. Enjoyed every moment at Plas Crigyll. Can’t thank you enough.”*

*– Plas Crigyll*

## Children and Families

**Young carers** - The provision of services for young carers is essential to assist and support children and young people to have positive childhood experiences. We commission Action for Children to carry out this work and assess young carers and their needs across Anglesey.

**The Bont Partnership** continues to provide a service from the Specialist Children's Services Social Worker and Transition Co-ordinator who are based within Canolfan Addysg Y Bont on a weekly basis. This has created a closer working relationship between both services and developed a way of supporting individuals and families when any issues or concerns arise in a more responsive and co-ordinated way.

## Priorities 2018/19

- Undertake review of internal day services for adults with learning disabilities, focusing on progression, client choice and outcomes.
- To further strengthen and develop our Multi-Disciplinary Team working within the three patches in partnership with Betsi Cadwaladr University Health Board, third sector partners and domiciliary care providers in order to provide timely responses and secure local access to integrated provision.
- To implement our new home care contract in June 2018 and ensuring a smooth and well communicated transition to successful providers.
- To support progress of Seiriol Alliance community model.
- Specialist Children's Services would like to develop the service to offer a regular 'drop-in' session for all children, young people and families/ carers who attend Canolfan Addysg Y Bont. These sessions could include advice / support from children's community learning disability nursing team, Teulu Môn/Team Around the Family sessions / Neurodevelopmental Pathway dependent on the needs of the disabled child, young person and their families/carers.
- Children's Services to recruit to the following posts:
- **Emotional Well-being Worker** (this worker will work with children who are considered to be experiencing difficulties with general anxiety based conditions).
- **Domestic Violence Family Worker**- this worker will provide support to the children where domestic violence has been identified and work with the whole family including parents.
- **Healthy Relationships Worker**- worker will work closely with schools, children services and community health services to identify early signs of harmful sexualised behaviour in children of both primary and secondary school age.
- **Parental Mental Health and Substance Misuse Worker**- the worker will provide evidence based interventions with parents and families who may be suffering from low level depression or generalized anxiety disorders.

## Measuring Quality Standards 2:

- 573 of adults required residential care at some point during the year compared to 637 for last year.
- 366 of adults were in residential care on 31st March 2018 compared to 396 in 2017.

## Quality Standard 3

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### Protecting and safeguarding people from abuse, neglect or harm

#### Corporate Safeguarding Arrangements

“Safeguarding” is everybody’s business within the Council. Whilst Social Services is the lead Service for dealing with enquiries regarding allegations / concerns that children and adults may be suffering significant harm, everyone has a responsibility to safeguard the welfare of children, young people and adults who may be at risk, whatever the role of the individual. The Local Authority, through the work of its Corporate Safeguarding Board, has put in place a number of key policies to underpin its Corporate Safeguarding arrangements, and has made considerable progress in completing the actions in the Corporate Safeguarding Action Plan.

#### Key achievements

- Reviewed the Safeguarding Policy: to ensure that it was current, and that Modern Slavery and Prevent Duties were embedded into the corporate arrangements.
- Provided training for staff in line with their role and responsibilities. Over 1600 staff have met the requirements to complete the Ask and Act Level 1 training as part of our Violence against Women, Domestic Abuse and Sexual Violence Act responsibilities.
- The revised Taxi Licensing Policy was approved, which includes mandatory (Child Sexual Exploitation (CSE) training for taxi drivers, which the Local Authority delivered alongside the police during 2017/18.
- Continued to ensure that the safeguarding implications of major developments are identified, and mitigation developed.

#### Regional and Multi Agency Context

The Council plays a full part in the work and priorities of the North Wales Regional Safeguarding Boards for children and adults: both on a regional and local basis. This has included both financial support and officer time. There were no Child or Adult Practice Reviews held in relation to our work during 2017/18. We developed our multi agency quality assurance arrangements during the year.

We have continued to play out part in the Multi-agency public protection arrangements (MAPPA) and Multi-Agency Risk Assessment Conference (MARAC) arrangements. Multi Agency Public Protection Arrangements continue to monitor and manage risk on a multi-agency basis regarding individuals who are assessed as being high risk to the public.



## **Adults Services**

The Service has continued to implement the revised safeguarding requirements under Part 7 of the SSWB Act, moving away from the language of the POVA process to evidencing compliance with the SSWBA. We have worked with the North Wales Safeguarding Adults Board to undertake independent evaluations of our safeguarding practice. Whilst in its early stages, we remain committed to learning from the people who experience our services.

As with Children's Services, evaluations of practice show that there are examples of good practice, in terms of the safeguarding of adult who may be at risk. However, the Service recognises the need to improve the robustness of the safeguarding process and to make best use of the enquiries stage of the Adult at Risk process. There are a number of matters to be taken forward on a multi-agency basis, including the engagement of partner agencies within the Adult at Risk Process and the quality of Safeguarding Reports made by partner agencies.

Within the VARM Panel (Vulnerable and Risk Management Panel) we work jointly with our colleagues from North Wales Police to coordinate our work in supporting individuals who present with complex needs across public services. The evaluation shows that through a multi-agency approach, engagement with support services improved, with reduced demands on the Police and Welsh Ambulance. There was a reduction in both vulnerability and risks on the individuals as a direct result of a referral to VARM. Feedback from professionals who attended VARM demonstrated that the panel was effective in ensuring a multi-agency approach to working with vulnerable individuals.

## **Children's Services**

A key element of the Children Services Improvement Plan is to improve the practice within the service for safeguarding of vulnerable children. The Service has worked hard to achieve changes and improvements during the year. During the year we provided coaching/mentoring to practitioners to better embed the Gwynedd/Thornton Risk Model into the assessment process and at various points to support a robust and confident analysis of need/risk, considering the total evidence in each case.

Whilst there are examples of good practice, overall, practice remains inconsistent across the service. The Service recognises where further improvements are required and are working hard to achieve these.

We have focused on understanding the reasons why children become subject to a Child Protection Plan. All of the cases where the child's name is on the Child Protection Register have been reviewed, to ensure timely and swift action is taken to address safeguarding concerns. During this period we saw a significant decrease in the numbers of children on the register. We understand the reasons behind this, and we can evidence some effective work happening to escalate cases to a more statutory footing and/or cases where the work completed has seen the family bring about changes.

## Social Services Quality Assurance and Safeguarding

The Safeguarding and Quality Assurance Unit has been strengthened with additional resources and focus.

- The unit has responded positively to the challenges within the Service Improvement Plan (Children Services)
- Developed and implemented the Children Services Quality Improvement Framework
- In collaboration with practitioners, set standards for areas of practice, upon which practice is evaluated.
- Ensured that the process of planned and systematic casefile audits, thematic audits/studies, management reviews and Multi Agency Audits are taking root within the services, with the findings supporting improvements in practice.
- Provided and facilitated learning opportunities based on the findings of evaluations.
- Considerable work to improve the arrangements for Part 4 meetings. There is more clarity on the threshold for holding a Part 4 meeting, improved attention to timeliness and clear decision making
- Reviewed the arrangements for ensuring that Deprivation of Liberty Safeguards (DoLS) applications are responded to effectively and increasing Best Interest capacity. This saw an investment in 2018/19 of £172k made to support Adult Services to address this.

### Priorities for 2018/19

- Improve Child Protection Processes– focus on improved preparation, planning, evidencing that thresholds for significant harm and registration met, reporting and measuring change and achieving safety/outcomes
- Improve Statutory Review Processes– focus on improved preparation, robust scrutiny of care and support for children, and putting the child at the heart of the review process.
- Deliver on the investment in increasing the Best Interest Assessor's capacity so that the DOLS waiting list is reduced, and reviews of exiting DOLS are carried out in a timely manner.
- Improve the robustness of the adult safeguarding process, aligning with the Adults at Risk Handling Individual Cases guidance (which is draft at the current time), when that is published by Welsh Government. The focus will be on making the most of the enquiries stage of the Adult at Risk Process; focus on timeliness of responses and improved engagement by other agencies within the Adult at Risk Process; improved case recording and independence of the child protection process.

### Measuring Quality Standards 3:

- 90.48% of adult service users responding positively to the question, "Has support set up by Social Services helped you to feel safe and secure in your home?"
- 96% of care and support plans (or support plans for young carers) that were reviewed during the year, within agreed timescales compared to 88% the previous year.

## Quality Standard 4

### Encouraging and supporting people to learn, develop and participate in society

The **Homeshare Scheme** enables individuals to access support in a professional carer's own home to build on existing life skills and establish greater links in the community. This also provides a break for the individuals looking after a person with Dementia.

There continues to be three Dementia Cafes on the Island; these give people a place to go if they are caring for a person with Dementia, if they're worried about someone's memory, or just to meet other people who are affected by Dementia.

#### Adults

A draft **Dementia Strategy** and Action Plan has been developed locally that will be aligned with the Welsh Government Dementia Action Plan for Wales 2018-2022. The draft Dementia Strategy is in keeping with the Older Peoples' Strategy themes, which are:

- Independent individuals/strong communities
- Helping you to live at home
- When living at home is no longer an option.

Included within the Strategy is improving current information, more training for care home managers and further developing the Dementia RED service across the Island. Discussions have also started around strengthening Multi-Disciplinary Team working within the area of Dementia with Betsi Cadwaladr University Health Board.

The **crisis response service** in Plas Crigyll is about to begin, and will provide out of hours support service for Carers of people who have Dementia that need urgent support during the night.

The **Side-by-Side Project** has also been running, and Carer Information and Support Programme and Dementia Support Drop-Ins have been running across the Island, which provides an opportunity for people affected by Dementia to speak to a Dementia Support Worker.

The Local Authority is aware of additional funding that will be allocated for Dementia in the coming year and is starting to plan the best use of this resource.

There are now three **Dementia Alliances set-up on Anglesey**. The Beaumaris Dementia Alliance has continued to develop, and new alliances have been set up in Holyhead and Llangefni. All have a three-point action plan to implement Dementia Friendly Communities within those areas. These are co-ordinated by the Local Asset Coordinators. They are working together to gain official recognition from the Alzheimer's Society and hope that Seiriol will be a designated **Dementia Friendly Community**. They aim to promote and raise awareness of simple changes that can make a world of difference to someone living with Dementia, their families and carers, so that they can be supported, understood and included.

**Community Hubs** offer a range of services as a first point of contact and access to support i.e. chiropody, falls class, walking groups and Citizens Advice Bureau sessions on benefits and entitlements. They provide a focal point to foster greater local community activity and bring residents together to improve the quality of life in their areas and contribute towards minimising loneliness and isolation. Community Hubs are located at Holyhead, Amlwch, Llangefni, Llanfaelog, Llangoed, Llanddona, Beaumaris, Bryngwran and Llanfairpwll. Future developments are planned for Newborough. We are also piloting the provision of personal care in community hubs in partnership with Menter Môn, a local Third Sector organisation.

**Local Asset Co-ordination** continues to be developed. The Local Asset Co-ordinator role is well established in the Seiriol Ward. Seiriol services established through the LAC programme includes Men's Sheds, dementia day opportunities within the community hubs and Dementia Alliance (remit to develop an action plan to establish Seiriol as a Dementia Friendly Community). The Local Area Coordinators in Holyhead and Llangefni are funded through the Integrated Care Fund.

**The Ageing Well in Wales Programme** is for individuals aged 50 years and over and aims to develop the Local Authority's Preventative Strategy by establishing three AgeWell centres which work on the principle of inclusion by signposting and improving access to mainstream and universal support. These centres continue to operate in Amlwch, Llangefni and Brynsiencyn.

**Employability Schemes-** Anglesey provides support for young people and adults who need support to gain employment, working with neighbouring local authorities to access European Social Fund grants to support this work:

- The **TRAC** project supports learners aged 11-16 who are at risk of becoming NEET (Not in Education, Employment, or Training).
- **AdTRAC** aims to reduce the number of 16-24 year olds who are not engaged in employment, education or training and who experience barriers to progression onto positive pathways.
- The **OPUS** operation in North Wales has been developed to engage with economically inactive and long term unemployment, those considered to be the furthest from the labour market with multiple barriers to employment and bring them closer to the labour market. OPUS provides support and interventions that will equip the participants with the appropriate skills to gain sustainable employment.

The TRAC project is a partnership between the 6 North Wales local authorities, the Llandrillo Menai Group, Cambria College and Careers Wales. It supports vulnerable pupils between 11-16 years of age to continue and succeed in education, training or work. To date, 329 young people have been referred to the project on Anglesey, 13 companies are delivering enhanced curriculum courses and 26 young people have managed to secure regular work placements. 97% of the Year 11 participants in 2017 moved on successfully to further Education. All participants report an improvement in one of the 6 core development areas. Bespoke support plans are designed between the learner, TRAC team, school and where relevant SSD, YJS and CAMHS and coordinated by Youth Workers and Therapeutic Workers. Specific support is targeted towards children in care and there are excellent examples of care packages which have been customised for these young people.

Through the Welsh Government's **Intermediate Care Fund** we are supporting young people and adults with learning disabilities to be as independent as possible. This will be achieved by supporting people to identify and achieve their own wellbeing needs and measuring the success of intervention from Children's Services through to Adult services:

- **Prevention and early intervention** – Active Support Plans allow young people to support the development of skills and support plans which will be portable through Transition to Adult Services.
- **Voice and control** – we are supporting individuals to develop Person Centred Plans and to decide on desired outcomes and implement these into progression plans.
- **Co-production** – we are co-producing a portable support plan to enhance current day service provision to promote independence, choice and control through the development of progression plans.

### Promoting Independence

Ynys Môn's **Direct Payments Service** has been transformed over the last 18 months – we focussed the changes on the areas that were deemed to be problematic by current and previous Direct Payment recipients. Take-up of Direct Payments has almost doubled, from 59 in September 2016 to 112 in March 2018. We intend to continue to engage with all current Direct Payment users during 2018/19 in order to focus our efforts on making further improvements where they deem necessary. Below are links to the stories of how Direct Payments have changed the lives of two families on the island.

**Dylan's story** – in Welsh with English subtitles:

<http://www.anglesey.gov.uk/health-and-care/adult-services/care-in-the-home/direct-payments/see-dylans-story-on-video/>

**William's story** – in English with Welsh subtitles:

<http://www.anglesey.gov.uk/health-and-care/adult-services/care-in-the-home/direct-payments/see-wiliams-story-on-video/>

## Children and Families

The **Youth Justice Service** covers the two-county area of Gwynedd and Anglesey and serves to support children and young people in, or who are at risk of entering, the justice system. For the sixth consecutive year the Gwynedd and Môn Youth Justice Service achieved positive results in the six Key Performance Indicators for Youth Justice in Wales. First Time Entrants rates and numbers continue to fall. Custody use remains low (reflecting a national trend). Although re-offending rates have remained stubbornly high in recent years, the Management Team and the Board were pleased to see slightly lower rates and frequencies compared with the rest of North Wales and Wales. The plans for the service in 2018-19 are to develop greater understanding of what we need to do to reduce reoffending rates and improve education, training and employment provision. In addition the service is at the centre of the work to develop Substance Misuse Services (SMS) for children and young people, with increased financial support from the Area Planning Board. We enter 2018-19 working closely with our partners in youth services and children and families services in the creation of an improved SMS team for the 2-county area.

**Specialist Children's Services** have developed a regular 'drop-in' session for all children, young people and families/carers who attend Canolfan Addysg Y Bont. These sessions could include advice and support from Children's Community Learning Disability Nursing Team, Teulu Môn/Team Around the Family sessions/ Neurodevelopmental Pathway, dependent on the needs of the disabled child, young person and their families/carers.

We are using the Integrated Care Fund (ICF) grant to develop the use of **Active Support and Progression**. The focus of the individual work with disabled children and young people is now based within our Bryn Hwfa specialist support centre. The support services manager now creates person-centred support plans, based on the social work or nursing assessment, and links in with the Active Support plans used by Canolfan Addysg Y Bont. The Support Workers are able to use these to create a menu of activities that can be used to meet the needs of each child and young person.

The **Community Group Network Fund** aims to building resilience within our communities, and is a significant part of the Children and Families Prevention Strategy. This small fund will help:

- Assist new community groups to be established across the island.
- For existing community groups to assist in the process of new groups.
- To engage with communities, holding events.
- To improve on the inclusion of children with disabilities into community events and activities.

Our long term goal is to establish Wellbeing Community Hubs. The purpose of these hubs will be to deliver services locally to families, clearly showing that preventative services are beneficial for all.

*"I have found this experience to be very helpful. (The social worker) has really helped me with my future as well as the present. I would happily use this service again. Thank you so much."*

**– Early Intervention and Prevention, Children and Family Services**

Our **Play Strategy** assists communities by encouraging good positive parenting through play. The aim of the play element is to:

- Increase the opportunities for play within communities.
- Encourage the development of play areas for children and young people with in communities.
- Encourage positive play and appropriate risk taking.

#### **Priorities for 2018/19**

- To fully implement the Anglesey Dementia Strategy and deliver on the local Dementia Action Plan, in partnership with Betsi Cadwaladr University Health Board and third sector partners.
- Undertake a review of internal day services, focusing on progression, client choice and outcomes.
- Maximise the opportunities that the OPUS projects offers to assist both people and businesses.
- Work towards continued further increase in the take up of Direct Payments.
- Having multi agency agreement so that all professionals will support the use of Active Support. We will provide training and support for all relevant staff to increase the use of Active Support in all settings for disabled children and young people, including the home environment.
- Use Families First funding to employ an Additional Needs and Well-being Coordinator. The post holder will work with families to assist them and help improve their well-being.

#### **Measuring Quality Standards 4:**

- 85.28% of service users responding positively to the question, "Do you feel that the support you receive from Social Services helps you to do the things that are important to you?"



## Quality Standard 5

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### Supporting people to develop safely and to maintain healthy domestic, family and personal relationships

#### Oedolion

We continue to work closely with the **Partneriaeth Gofalwyr Gwynedd a Môn** and have developed and agreed a Carers Strategy for both Gwynedd and Môn. The partnership has members from both Local Authorities, Betsi Cadwaladr University Health Board and Third Sector partners working with Carers.

The local **Anglesey Carers Group** has been developing a local Action Plan to ensure the implementation of the Strategy on a local level. Focusing on:

1. Promoting 'carer friendly' communities
2. Implementing the rights of carers of all ages to receive an assessment of their needs and to develop effective and efficient referral pathways
3. Promoting early identification of the needs of carers of all ages, and ensure that they receive supportive, timely and appropriate services to improve their health and well-being.

There continues to be two dedicated Carers Officers that work within Adult Services who can support all Carers (young and adult carers) in their day-to-day role, and who can also provide Information, Advice and Assistance to Carers. They assess carers' needs, make them aware of their rights under the SSWB Act and provide them with links to statutory and voluntary organisations, such as Carers Outreach.

Respite continues to be provided at home and within care settings, in line with the choice of individual Carers. This supports them to access social opportunities as well as educational opportunities. Respite offers continuity of care, and meaningful breaks to ensure that the needs of the carers identified within the Care and Support Plan are being met, and to assist them to continue to act as a Carer. The Local Authority has received funding from the Welsh Government's Carers' Respite Care Grant, which is being used to provide different respite options to Carers of all ages. We are working with partner agencies and stakeholders to co-design and co-produce changes to services for individuals with learning disabilities – in particular accommodation based services.



*“Your support has been a great help. We have benefitted from your advice and understanding. You have been excellent. You have made a huge difference. We feel very lucky to have had your help. Thank you.”*

## Children’s and Families

**Team Around the Family (TAF)** (established in 2012 through the Families First Programme) continues to provide comprehensive early intervention to Children and Young People aged 0-25, their guardians/parents, and other family members. The aim is to identify their problems early, in the hope that we successfully improve their situation for the better by working together to prevent problems from developing into something more serious. We have supported over 1,033 families over the past six years. TAF moved to Children’s Services in April 2017 and are now part of the Information, Advice and Assistance hub: Teulu Môn. TAF continue to work closely with various agencies to enhance, improve and promote the ethos of the early intervention service through multi agency working. The inspection report of Children’s Services undertaken in 2016 stated that there was significant evidence of proactive work from TAF with children and families that supported their independence and improved wellbeing. We have increased the capacity within the team from two to six TAF Support Workers; this will support our goal of providing more targeted early help for families with the most need.

**The Resilient Families Team** was established during the year with additional funding agreed by elected members. The small Team of Social Worker’s and Family Support worker’s is now working intensively with families with the core aims are to:

- prevent children from becoming looked after,
- return children home during the first 8 weeks of coming into care and work with families for the safe return of their children,
- review the safe return of children in long term care.

In order to work towards and increasingly meet these core aims the Team will become a group of highly skilled, multi-disciplinary workers who intervene with families who present a high level of need.

**Gwynedd and Ynys Môn Integrated Family Support Service (IFSS)** provides a highly skilled, multi-disciplinary team to intervene with families who present a high level of need and risk due to parental/carer substance misuse, in order to reduce the level of risk and ensure positive outcomes for the most vulnerable children. This is achieved through a sustained and system-wide focus on delivering quality services based on robust evidence of effectiveness and best practice. The team consists of three Social Workers, an Occupational Therapist and a worker who previously worked in the Substance Misuse Service.

The Service aims to create sustained change within families to enable children to remain at home if it’s safe for them to do so. During the last 12 months the Service has worked with families who have been able to show sustained changes in their lives which have kept their children safe. There are also families who have been unable to change their behaviours and an alternative plan has been made for their children. We achieved our goal of working with 40 families during 2017/18.



Our **Parenting Programme** continues to support families that are open to Children's Services, to prevent escalation of need and to provide evidence and assessment of parenting skills. Parents learn new skills and techniques by following a 12 week programme called the Incredible Years. A project has been jointly commissioned between Bangor University and Children's Services to pilot and monitor the parenting programme with foster carers, the findings of this will help produce a document about children's behavioural issues in a foster care environment and identifying how to resolve these issues.

*"We would like to take this opportunity to express how professional the fostering team have been throughout our fostering experience, and cannot state enough how [the social worker] made the whole experience easier. She is sensitive, very supportive, extremely efficient and organised, and always dealt immediately with any issues we had. She is an excellent ambassador for fostering."*

#### **Priorities for 2018/19**

- Work with partners, providers and service users to co-produce modernisation to our services for those with Learning Disabilities
- For families to access timely and good quality information and advice.
- For children and families to receive evidence based interventions that promote good parenting.
- Decrease in the number of children requiring a Care and Support Plan.
- Supporting staff to further their skills in Collaborative Communication.
- Develop the community aspect of the Prevention strategy.
- Increased referral rates from Anglesey Children and Families Service to IFSSS
- Embed the PAUSE / REFLECT Worker, who will work with women who have experienced, or are at risk of, repeat removals of children from their care.

#### **Measuring Quality Standards 5:**

- 94.50% of adult carers who were offered an assessment or review of their needs in their own right
- 90.16% of adult carers who responded positively to the question "In the last 6 months, do you feel you have been involved or consulted as much as you wanted to be, in discussions about the support provided to the person you care for?"



## Quality Standard 6

**Working with and supporting people to achieve greater economic well-being, have a social life and live in suitable accommodation that meets their needs.**

### Adults

**Hafan Cefni, Llangefni** continued to be developed during 2017-18 and the building is due to be completed during the summer of 2018. There will be 63 apartments, a mixture of 1 and 2 bedroom apartments, for eligible adults over 60 years old. 15 apartments will be specifically designed and adapted for older people with memory loss or living with dementia. This will be the second Extra Care Housing scheme on the Island, and an important addition to the Penucheldre Extra Care facility in Holyhead. A Hafan Cefni Officer has been appointed and the application process for applying for an apartment in Hafan Cefni has opened. An Allocations Panel is in place and apartments have started to be allocated. The decommissioning process for Plas Penlan residential care home in Llangefni has been in place as we prepared for the opening of Hafan Cefni in the town. Plas Penlan is due to close during the summer.

Engagement took place during November 2017 to January 2018 within the Seiriol ward regarding the options of developing an Extra Care Housing scheme on the Beaumaris Primary School site. Following the period of engagement the Executive agreed with the recommendation of building the Extra Care Housing scheme on the Beaumaris Primary School site. We are now waiting for the result of the Education Department's consultation on the future of schools on the Island; the result of that process will determine whether the Extra Care Facility will share the site with a school, or whether a larger dedicated facility can be built on the site.

The Council worked in partnership with Betsi Cadwaladr University Health Board to develop a service model to support people living with dementia who are presenting as increasingly challenging and with complex care needs. **Garreglwyd** is a residential setting with appropriate accommodation and environment to meet current dementia care standards. It has specialist trained staff and the support of increased specialist health capacity in the shape of a Community Psychiatric Nurse and District nursing capacity on a 24/7 basis. The service model enables people living with complex needs to receive a service within their own community. This in part responds to the lack of Nursing Dementia Care beds on the Island, and reduces the need for Out of County placements.

During the 2017-18 financial year the Welsh Government confirmed that £60m of **Intermediate Care Funds (ICF)** should be used to support people to maintain their independence, remain in their own home and avoid unnecessary admissions to hospital or residential care. Locally we are in the process of developing an accommodation based community hub aimed at tenants living in sheltered accommodation in Amlwch, using ICF capital funding to support the work.

Isle of Anglesey County Council has assessed all areas across the Island to consider the potential of using capital expenditure in order to improve communities, allowing people to become more resilient and independent within their areas, and discussions regarding locality needs have taken place. Amlwch has been viewed as an area which would benefit from a portion of ICF Capital Funds, specifically the William Williams VC estate, reaching out to residents in Madyn Dysw and Brwynog Residential Home.

The work will consist of two phases. The initial phase is to develop the communal facilities, which is within reach of approximately 65 vulnerable elderly people in Amlwch. This phase will concentrate on improving the environment, the appearance of the accommodation area, in particular the communal area, and adopting a community hub model, with access and circulation around the scheme providing an age friendly outdoor environment. Phase 2, which will be completed within 5 Years as part of the Housing Departments' planned maintenance work, fully funded by the Council / HRA funds. The total funds approved are £228,000, which is for capital expenditure only. Tenant and community engagement is paramount to the success of this project, ensuring the needs are met through the sharing of ideas and suggestions on how to take this forward.

### **Children's Services**

We have developed a **joint Housing and Leaving Care Protocol** in order to intervene early when supporting a young person in care as they move onto independence. The protocol seeks to ensure that there is a shared corporate responsibility for meeting the diverse accommodation needs of 16-25 year old young people, who meet the criteria as defined under Section 6 of the Social Services and Well-being (Wales) Act 2014 for aftercare services, without the need for a homeless application. It will establish roles and responsibilities and define the interrelationship between both services. It should be noted that neither service encourages independent living from the age of 16 years, a young person with a Pathway Plan clearly indicating the wish and ability to do so shall be supported.

At any given time, Ynys Môn Council will have responsibilities to Children and Young People for whom they have a statutory requirement to assess their needs and provide services for their overall wellbeing including that of housing.

The Social Services and Well-being Act places a duty on the Council and all of its services to ensure that Young People achieve the National Wellbeing Outcomes. This includes their Corporate responsibility for young people leaving care, as noted in category 1 to 6 (see appendix 1). The joint protocol:

- accepts responsibility for the local authority's looked after children / care leavers
- ensures care leavers are a priority
- seeks for care leavers to receive the same outcomes any good parent would want for their children

## Housing Services

We have developed a **Housing Single Point of Access (SPoA)** that signposts vulnerable individuals and families to Supporting People funded services, with the aim of reducing homelessness and improving support to the most vulnerable households on our Island.

The new housing SPoA is funded by the Supporting People programme, and has been operational since October 2017. The Single Pathway can help customers access appropriate housing support services, dependant on criteria. Support is generally provided over a few months, dependent upon need. However, the support can last up to a maximum of 2 years, and by then people should have the right skills to live independently and maintain a tenancy.

Some providers have the option of “dipping” in and out of service as and when required, and prevent difficult circumstances becoming a crisis. The service is flexible and can be accessed when it is needed and can prevent a situation becoming serious at the point of when it is needed.

## Mental Health pathway for individuals with accommodation needs

IOACC Housing Services, Adults' Services and BCUHB are in the process of developing a Mental Health Pathway for individuals, focusing on meeting their accommodation needs. The aim is to develop a Mental Health Pathway for individuals with mental health challenges who may struggle to maintain their rented or owned property during a period of personal crisis. This could be either through step down support when individuals are discharged from Hergest or any other mental health ward. Once the pathway is complete, we will map out the support required within our communities for individuals with mental health whilst maintaining their property. This will be linked to the Housing SPoA. The aim is to provide a wraparound service to individuals with mental health needs and ensuring their discharge from hospital (step down) is as comfortable and rehabilitating as possible. We will prioritise:

- Step down for individuals of no fixed abode as part of their discharge planning
- Tenancy support for individuals with mental health within the community in order to sustain their tenancy
- Consideration for emergency accommodation for individuals who are homeless and have mental health issues (not necessarily have been admitted) where Bed & Breakfast accommodation wouldn't be appropriate given their needs.

## Youth related anti-social behaviour

Over the last 12 months, we have seen an increase in youth related anti-social behaviour in one area on the Island. This, in turn has had an effect on youth related crime statistics and on the wider community. The approach and intervention to this serious matter has been a multi-disciplinary approach between Children's Services, Housing, North Wales Police and Youth Justice. Through frequent sharing of information, incidents and delivering on a bespoke support package for most of the young people involved, there has been a positive decline in reports of youth related anti-social behaviour within this area over the year. Services have been adjusted to meet the desires and aspirations of each young person, thus reducing boredom, ensuring transparency with the young people on the effects of their behaviour within the community and developing interventions required by the young people and their families.

*“I just wanted to say a huge thank you for your support over the last couple of months, and for all the changes you have implemented that has fundamentally improved the care that I receive. I can’t stress enough how grateful I am to you for improving the quality of my life”.*  
**- Adults North Team, Adult Services**

### **Adult related Anti-Social Behaviour**

Two Council estates on the Island have presented significant anti-social behaviour related matters within the last 12 months. This has affected victims and perpetrators, as well as the wider community. Often the individual concerned are not on the Council’s radar since they do not receive services from our Adults’ Services Department, BCUHB or any other statutory body. An adopted approach was to tackle the matters directly with the estates concerned, which included alleged perpetrators and victims. This happened in partnership with North Wales Police and Supporting People providers. Over the last 12 months, there is approximately 400 cases of tenant-related anti-social behaviour cases. Through preventative and early intervention approaches, we are looking to decrease these numbers, which in turn should improve community well-being.

### **Priorities 2018/19**

- Continue to work with partners and the 3rd sector to offer opportunities for those with Learning Disabilities to play an active part in the community and achieve their personal goals.
- Work in partnership with Housing Service and BCUHB to develop the Mental Health Housing Pathway
- Continue to promote the Community Wellbeing Groups through primary and secondary care referrals to promote well-being and recovery within Mental Health services.

### **Measuring Quality Standards 6:**

- 95.33% answered yes to “During your assessment, re-assessment or review, were you able to discuss your problems in the language of your choice?”
- 98.76% of adult clients requesting a service in Welsh that go on to receive their service through the medium of Welsh



## Our Workforce, and how we Support their Professional Roles

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Our staff are our greatest asset, and we believe in supporting them through offering strong continued professional development opportunities, training and career development. The Workforce Development Unit continues to arrange training and development opportunities for Social Services and the wider social care partnership on Anglesey, including staff and managers working in Residential Care settings.

In October 2017 the new structure for the Children and Families Service was implemented to fully meet the needs of the business and deliver better support. We've restructured the Service so that Social Workers are in small Practice Groups; this enables the Practice Leader to get to know the cases being supported by their Social Workers well, provide clear guidance and regular Supervision. We've recruited a significant number of Social Workers during the year, as well as expanded the number of Engagement Officers. The new service user's service structure as well as the service improvement plan informed the training and development plan for the year. This included the Practice Leaders' induction programme and key elements such as Outcome Focused Supervision. A recruitment campaign was also undertaken to recruit experienced Social Workers to the service.

We continued to embed the principles of the Social Services and Well-being Act. Training focused on strengths-based approaches, including Collaborative Conversations, Motivational Interviewing and Brief Solution Focused Practice. Specialist training was also delivered on the Risk Model, Child Trafficking and Adverse Childhood Experiences.

Developments in Adults' Services have continued to focus on supporting and enabling independent individuals and strong communities. Dementia training has included various sessions on elements such as recreational activities, understanding behaviour and care planning to strengthen the knowledge and skills of managers, frontline workers and carers across the sector. We also worked in partnership with Bangor University to coordinate a successful North Wales Dementia Conference which provided a valuable opportunity to discuss and reflect on both current research and lived experiences.

A key priority this year has been to ensure we have a workforce that is suitably skilled and qualified to meet the requirements of the Regulation and Inspection of Social Care Act. There have been numerous awareness sessions as well as more specific training for Responsible Individuals. Canolfan Anterth plays a vital role in ensuring the workforce retains the level of required and recommended qualifications for their role. Individuals were supported to successfully complete Qualifications and Credit Framework (QCF) Level 2, 3 and 5 Diploma in Health and Social Care, QCF Level 2 and 3 Award in Dementia and QCF Level 2 Award in End of Life Care.

The qualifying and post-qualifying opportunities we offer are an important part of recruiting and retaining Social Workers in the sector. Through our well-established partnership with Bangor University we actively supported a variety of practice learning opportunities for our M.A. Social Work hosted students within the statutory and third sector. We have also provided learning opportunities for students studying the B.A. in Social Work at Glyndwr University and the Open University Wales.

We successfully recruited two Social Work Student Trainees that work within Children and Families Service. One is currently studying towards the B.A. in Social Work through the Open University Wales whilst the other is studying towards the M.A. at Bangor University.

Furthermore, we have continued to support newly qualified practitioners through their first three years in practice which includes the Consolidation Programme, Porth Agored. We have also supported experienced social workers through various other post-qualifying qualifications, including Practice Teaching Award, Senior Practitioner Programme, Team Manager Development Programme and AMHP.

Three of our Senior Managers have successfully completed the Middle Management Development Programme.

Four members of staff from Children's Services have been nominated by the department to be ambassadors for the Care Ambassador Programme. The care ambassadors work with a wide range of people, as well as students within schools and colleges who want to consider working within social care; early years and childcare.

We also provided opportunities for unqualified practitioners who carry out assessments to undertake the Social Services Practitioner Award.

In line with our Corporate Safeguarding Training Framework we co-ordinated Basic and General Safeguarding training across the organisation which is delivered as a rolling programme. Specialist training was also provided, such as Deprivation of Liberty Safeguards (DoLS), Child Trafficking and Self-Neglect. In compliance with Welsh Government agenda, the Authority has ensured that Violence against Women, Domestic Abuse and Sexual Violence level 1 e-learning training was undertaken to increase staff awareness. Further e-learning modules in relation to Modern Slavery, CSE and Prevent will be rolled out over the coming months.

Looking ahead, we envisage further regional working, including areas such as Joint Investigation Training, National Fostering Framework, The National Training Framework on VAWDASV, Continuing Health Care (CHC) regional training programme and the Learning and Development Framework for Occupational Therapists. We will also be working closely with local, regional and national partners to respond to changes under the Regulation and Inspection of Social Care Act, such as registration, qualifications and embedding the new All Wales Induction Framework for Health and Social Care.



## Our Financial Resources and How We Plan For the Future

Financial planning remains a serious challenge for the Council under continued and prolonged financial pressures; the Council's funding from the Welsh Government has fallen from £101m in 2013/14 to £95.8m in 2018/19. In order to achieve a balanced budget, the Council has implemented over £18m of budget cuts over the same period, bringing the net budget down from £129.3m in 2013/14 to £125.6m in 2018/19 (this is after allowing for pay awards, inflation and other price increases).

The year-end position showed an overspend of £1,992k for Social Services for 2017/18. Children's Services overspent by £1,778k due primarily to the unprecedented numbers of Looked-after Children. Additional funding of £582k was provided to the Service for 2016/17 to 2018/19 to establish an Edge-of-Care team with a view to reducing the number of Children placed in Care. Adult Services overspent by £215k in 2017/18 due primarily to fee pressures and legislative changes. Additional funding has been provided to Children's Service to meet these pressures.

Nevertheless, both Services acknowledge the current austerity and continue to transform services and manage demand, with Adults Services contributing to £559k of savings in 2017/18, and further savings of £350k have been agreed for 2018/19. Children's Services is looking to increase the number of places available locally for children who are looked after.

The Council has effective and well-managed budget setting and financial planning processes in place, and elected members are fully involved in the cyclical programme of planning, and the scrutiny of budget setting and monitoring.

Estimating future changes is challenging, due to the lack of accurate information on future local government settlements but our Medium-Term Financial Plan predicts that there may be a requirement to make up to £5.25m of additional cuts over the next 3 years from 2019/20 to 2021/22.

The table below outlines the financial accounts of our Social Services 2017/18:

	Budget £	Actual £	Variance £
<b>CHILDREN'S SERVICES</b>	8,291,420	10,069,077	1,777,657
<b>ADULT SERVICES</b>			
OLDER PEOPLE	6,142,940	5,940,211	-202,729
PHYSICAL DISABILITIES	1,562,890	1,786,149	223,259
LEARNING DISABILITIES	5,378,650	5,859,647	480,997
MENTAL HEALTH	1,884,450	1,993,671	109,221
SUPPORT SERVICES	1,306,110	1,133,565	-172,545
<b>PROVIDER UNIT (MÔN CARE / OTHER SERVICES)</b>	6,128,480	5,904,137	-224,343
OTHER SERVICES	65,480	58,374	-7,106
<b>TOTAL</b>	<b>30,760,420</b>	<b>32,744,831</b>	<b>1,984,411</b>

# Our Partnership Working, Political and Corporate Leadership, Governance and Accountability

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Political governance within the Council has continued to be robust. This has allowed for clear and consistent support for both Adults' and Children's Services and measured scrutiny of progress.

The **Executive** is the key decision making body and consists of the Leader and 8 Portfolio Holders. Since the County Council elections in May 2017 the Leader has taken the Portfolio for Social Services. Its growing effectiveness is evidenced in taking difficult decisions such as Older Adults Social Care Programme (for example building Extra Care Housing in Llangefni is nearing completion – Hafan Cefni. Following an evaluation of sites a decision has been taken to build a further Extra Care provision in the Seiriol ward and allocating additional resources to Children's Services

## Partnership Working

A refreshed Panel of Elected Members was established after the elections of May 2017 to scrutinise, challenge and support the Service Improvement Plan for Children's Services. The membership is drawn from across the political groups, and has provided an opportunity for the Members to enhance their knowledge and understanding of the work undertaken by the Service, leading to better scrutiny.

Anglesey Social Services are committed to partnership working on both a local, sub regional, regional and national basis. This has been recognised as a strength in external inspection reports for us to build on. Both Children and Adults' Services remain actively involved in the All Wales and the North Wales agendas to improve the delivery of social services through a collaborative approach.

Governance arrangements are in place through the North Wales Social Care and Wellbeing Improvement Collaborative (NWSWIC) and the Regional Partnership Board. NWSWIC has in place a comprehensive programme of improvement through collaboration, focused on the requirements under Part 9 of the Social Services and Wellbeing (Wales) Act 2014. This partnership ethos can be further evidenced through the collaboration of the Council's Social Services with BCUHB via the Integrated Delivery Board (IDB). The IDB met bi-monthly during 2017-18 with key strategic officers present from Social Services, BCUHB and the 3rd sector. The purpose of the IDB is to ensure that the health and care needs of the people of the Isle of Anglesey will be better served by the improved integration of services between health and local authority services. Model Môn is the operational arm of the IDB, with responsibility for delivering the detailed Work Programme.

We continue to work closely with the Betsi Cadwaladr University Health Board to deliver the Integrated Care Fund (ICF) on Ynys Môn. Areas specifically targeted include services for older adults and young people and children with complex needs and Welsh Communication Care Information System (WCCIS). The ICF has been spent on developing Garreglwyd as a specialist home that supports older people living with dementia and the Môn Enhanced Care and Night Owls services within Adult Social Care.

The Well-being of Future Generations Act (Wales) 2015 has established Public Services Boards (PSB) for each local authority area to make sure that public bodies work together to create a better future for the people of Wales. A joint partnership board for Gwynedd and Môn, has been established, which includes the main public sector organisations in the region. The Gwynedd and Môn Public Services Board has divided the whole area into 14 smaller areas (six areas for Anglesey). Research has been carried out on behalf of the Board on each of the areas to learn and understand more about their well-being. A number of public drop-in sessions were held and there was an on-line questionnaire so that residents could have their say about their communities. The result of the research was the Well-being Assessment for both Anglesey and Gwynedd. This assessment was used by the Board partners to draft the Well-being plan to be adopted during 2018/19.

We continue to develop close consultation and partnership working with the **Third Sector** through the Voluntary Sector Liaison Committee which meets on a quarterly basis. We recognise the role of the **Third Sector** locally as a strategic partner and have developed appropriate governance arrangements to support this e.g. the role of Medrwn Môn on the Model Môn operational group, the OPUS Board (EU funded project) and the Adults Social Care Transformation Board. Recently we have established a third sector partnership group which is tasked with delivering against Council objectives and ensuring appropriate engagement and consultation techniques are adhered to with regards to developing strategies and transformation work.

### **Performance**

The Council over the past 4 years has embedded a corporate planning and performance management framework into its annual governance arrangements. This framework was adopted to ensure a continuous improvement mind-set was embedded within the work of the Council, and that its monitoring could identify issues prior to under-performance which would impact on service delivery to the citizen.

This practise has seen improvements in a number of social services related indicators, with particular success being seen in the performance of indicators related to the care provided to Adults. Performance Indicators for Children's Services improved in the second half of 2017-18, though under-performance during the first six months affected the cumulative results for the year. Improvements in performance and consistency of practice will be priorities for 2018-19.

Progress in implementing the Children's Service Improvement Plan is overseen by the Panel of Elected Members (this is being implemented at pace with significant progress against 16 of the 21 actions; completing the work on the remaining 5 actions will be a priority for 2018-19).





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## Social Services

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ISLE OF ANGLESEY COUNTY COUNCIL	
<b>Report to:</b>	<b>County Council</b>
<b>Date:</b>	<b>25 September 2018</b>
<b>Subject:</b>	<b>Approval of new Rights of Way Improvement Plan (2018-2028) and revised public rights of way policies</b>
<b>Portfolio Holder(s):</b>	<b>Councillor Bob Parry</b>
<b>Head of Service Interim:</b>	<b>Huw Percy</b>
<b>Report Author:</b> Tel: E-mail:	<b>Arwel Evans</b> <b>2367</b> <a href="mailto:ageht@anglesey.gov.uk">ageht@anglesey.gov.uk</a>
<b>Local Members:</b>	<b>N/A</b>

<b>A –Recommendation/s and reason/s</b>
<p>To approve the new Rights of Way Improvement Plan (2018 – 2028) and revised public rights of way policies.</p> <p><b>Background</b></p> <p>A report was given to the Executive on 9<sup>th</sup> January 2017 advising that the authority’s first Right of Way Improvement Plan (RoWIP) was published in August 2008 and covers the period from 2008 to 2018. Thereafter it is a statutory requirement that the plan has to be reviewed and replaced. The report outlined the improvement plan review process, timetable and consultation arrangements.</p> <p><b>Initial Consultation and Public Participation</b></p> <p>Initial consultation on RoWIP review was undertaken between the end of March and end of May 2017, its purpose being to to inform people of the process and to invite contributions. Consultation included both statutory consultees identified in the Countryside and Rights of Way Act 2000 and non statutory consultees:</p> <ul style="list-style-type: none"> <li>• Town and Community Councils</li> <li>• Anglesey Joint AONB Advisory Committee</li> <li>• Anglesey Local Access Forum</li> <li>• Natural Resources Wales</li> <li>• Local Members</li> <li>• British Horse Society</li> <li>• Open Spaces Society</li> <li>• Ramblers Association</li> <li>• Byways &amp; Bridleways Trust</li> <li>• NFU</li> </ul>

- FUW
- Country Land and Business Association
- Sustrans
- Cycling UK
- National Trust
- Taran
- North Wales Advice and Advocacy
- The public (IACC website consultations)

Feedback was received predominantly by means of three online questionnaire surveys (public questionnaire, landowner questionnaire, Town & Community Councils questionnaire), with additional comments received by email and through social media. This feedback helped us to develop the new ROWIP.

**Consultation on the draft RoWIP**

The [draft RoWIP](#) was published in May 2018. Consultation was undertaken by means of the County Council website, social media and email/ letter communication with the bodies contacted during the initial consultation phase. 12 weeks was allowed for representations in line with Welsh Government RoWIP guidance.

Response to this consultation was rather disappointing. A special meeting of the Ynys Môn Local Access Forum was held and useful feedback was received from the Local Access Forum, path user groups and other Council departments. This feedback has been considered and a few amendments are proposed to the draft RoWIP which are shown highlighted text in the document (**Appendix 1**).

In conjunction with RoWIP review the County Council has reviewed and updated our policies for public rights of way management (**Appendix 2**).

**Action**

It is recommended that the Executive approves the new RoWIP and associated public rights of way management policies.

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

Reviewing the ROWIP is a statutory requirement.

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

Policy decision

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

Yes.



<b>D – Is this decision within the budget approved by the Council?</b>
Yes.

<b>DD – Who did you consult?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	No observations
2	<b>Finance / Section 151</b> (mandatory)	No observations
3	<b>Legal / Monitoring Officer</b> (mandatory)	To be presented to the County Council.
4	<b>Human Resources (HR)</b>	
5	<b>Property</b>	
6	<b>Information Communication Technology (ICT)</b>	
7	<b>Scrutiny</b>	
8	<b>Local Members</b>	
9	<b>Any external bodies / other/s</b>	

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

<b>F - Appendices:</b>
Appendix 1 – RoWIP 2018 – 2028 Appendix 2 – Public Rights of Way Management Policies 2018

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



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The Isle of Anglesey County Council

Rights of Way Improvement Plan 2  
(2018-2028)

*August 2018*



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**Annex 2:** Evaluation of Delivery of previous RoWIP and ROWIP grant expenditure

**Annex 3:** Delivery Plan for 2018/19 -2021/22

<b>Acronym</b>	<b>Definition</b>
AT(W)A 2013	Active Travel (Wales) Act 2013
CA 1968	Countryside Act 1968
CRoW Act 2000	Countryside and Rights of Way Act 2000
DM&S	Definitive Map and Statement
DM&S	Definitive Map and Statement
DMMO	Definitive Map Modification Orders
E(W)A 2016	Environment (Wales) Act 2016
EA 2010	Equality Act 2010
HA 1980	Highways Act 1980
NPACA 1949	National Parks and Access to the Countryside Act 1949
PCA 1957	Parish Councils Act 1957
PRoW	Public Rights of Way
RoWIP	Rights of Way Improvement Plan
RTRA 1984	Road Traffic Regulation Act 1984
TaCCs	Town and Community Councils
TCPA 1990	Town and Country Planning Act 1990
WCA 1981	Wildlife and Countryside Act 1981
WFG(W)A 2015	Well-being of Future Generations (Wales) Act 2015

# **1. Introducing This Document**

## **1.1 Introducing RoWIP 2: Main Aims and Objectives**

Anglesey's First Rights of Way Improvement Plan was published by the Isle of Anglesey County Council in 2008. The RoWIP was a statutory requirement under Section 60(1) of the CRow Act 2000. The main purpose of the RoWIP was to adopt a strategic approach on the management and improvement of Anglesey's public rights of way (PRoW) network. The initial RoWIP assessed the extent to which:

- Anglesey's PRoW network met the present and likely future need of the public,
- The opportunities that the access network provides for open air-recreation,
- The accessibility of the network for disabled people including individuals who are blind/partially sighted or have mobility difficulties.

In 2018, Anglesey's initial RoWIP reaches the end of its 10 year time-frame, and as a consequence has undergone a statutory assessment and review. The Isle of Anglesey's Second Rights of Way Improvement Plan (ROWIP 2) has been produced in order to meet this statutory requirement. RoWIP 2 will remain in place for a 10 year period, up until 2028.

The main aims and objectives of RoWIP 2 are in line with the First RoWIP, which aims to strategically plan for improvements to Anglesey's PRoW network and to build upon the foundation and progress achieved by the First RoWIP. RoWIP 2 aims to strategically identify, prioritise and plan for improvements to Anglesey's PRoW network, in order to create an improved and a more inclusive and integrated rights of way network. In addition RoWIP 2 aims to meet the Welsh Government's aims of providing better provision for all types of users including: walkers, cyclists, equestrians and disabled people including individuals who are blind/partially sighted or have mobility difficulties. Additionally, RoWIP 2 will outline strategies, aims and objectives to holistically manage and improve the PRoW network to achieve wider social, environmental, and economic benefits to Anglesey and its people.

## **1.2 RoWIP 2 Purpose and Scope**

RoWIP 2 includes **3** statutory elements:

- The **Assessment**: outlining the adequacy and capacity of Anglesey's public rights of way network to deliver a wide range of aims and objectives.
- The **Statement of Action**: outlining strategies, aims and objectives for the management and improvement of the PRoW network to address the demands and needs identified in the assessment.
- The **Delivery Plan**: see 1.2.3

### **1.2.1 The Assessment:**

Welsh Government RoWIP Guidance specifies that these assessments should be made:

- The extent to which Anglesey's PRoW network meet the present and future needs of the public.

- The opportunities provided by the local PRow network for public enjoyment, exercise and other forms of open-air recreation (with emphasis on the provision of footpaths, cycle tracks, bridleways and restricted byways).
- The accessibility of Anglesey's PRow network to individuals who are blind/partially sighted or have mobility difficulties.
- An evaluation of the degree to which the previous RoWIP has been delivered.
- An evaluation of the present condition of the network and its record.
- Opportunities to contribute to Active Travel objectives.
- Opportunities to contribute to Well-being objectives.
- Opportunities to contribute to the delivery of other plans and priorities.

### 1.2.2 The Statement of Action

The Statement of Action forms an integral part and is the backbone of RoWIP 2. Statements of Actions are specific aims and objectives to strategically identify, prioritise and plan for improvements to Anglesey's PRow network, to:

- Effectively manage the PRow network.
- Secure an improved and more inclusive PRow network.

### 1.2.3 The Delivery Plan

Revised ROWIPs, unlike the original, must contain a Delivery Plan as an annex to the main document. Delivery Plans must be reviewed at intervals for the duration of the ROWIP period and must contain 3 components:

1. An evaluation of progress in delivering the ROWIP and previous action plans.
2. A review of policies for the management of PRow.
3. SMART work plans identifying and setting out the component tasks required to deliver the main aims of the Statement of Action for the better management and improvement of the network over the delivery period.

### 1.2.4 The Anglesey Local Access Forum

The Anglesey Local Access Forum (LAF) is an advisory body that was established in 2002 under Section 94 of the CRow Act 2000. LAF's are independent groups of volunteers that include landowners, farmers, local business owners and members of relevant organisations (e.g. Ynys Mon Ramblers, British Horse Society, NFU, FUW).

LAF's are statutory bodies advising and helping Councils regarding management and improving public access to the PRow network and to land, for the purposes of open-air recreation and enjoyment. Their role is primarily strategic and intended to achieve a consensus view taking into consideration the needs of both land-managers and access

users, statutory implications and wider environmental, social and economic factors to influence and develop plans, policies and broader decision making.

The LAF has played a key role in providing support and advising on the development of RoWIP 2 and will continue aiding during its implementation (2018-2028).

### 1.2.5 Strategic Environmental Assessment

The European Strategic Environmental Assessment (SEA) Directive EC 2001/42/EC requires that all new strategies are assessed for their environmental impact. This plan has undergone an appraisal process and it was felt that the RoWIP has no negative effect on the environment and quality of life for residents and visitors and in fact has many beneficial effects. As a result, a SEA was not considered to be necessary for this plan.

## 2. The Anglesey Context

### 2.1 Introducing Anglesey

The Isle of Anglesey covers a total area of just over 700 km and its diverse coastline stretches for 125 miles. Anglesey has a population of almost 70,000 people and, like many other parts of Wales, has an ageing population. Anglesey remains a stronghold for Welsh language and culture, as over half, 57.2%, of the island's population can speak Welsh. Apart from a few larger settlements such as Holyhead, Llangefni, and Amlwch, Anglesey is sparsely populated, with most of the island being rural, mostly consisting of smaller towns and villages, with vast areas of agricultural land.

Anglesey is famed for its natural beauty, attractive and diverse landscapes. A total of **221sq km** (1/3 of the island) of Anglesey's land is designated as an Area of Outstanding Natural Beauty (AONB). Anglesey's AONB is mainly a coastal designation (covering 95% of the coast) with miles of sandy beaches, sand dunes, cliffs, rocky coves, coastal heath, and saltmarshes. PRow are a very important recreational resource in the AONB with 363KM (32.7%) of Anglesey's PRow are located within it.

Within the AONB there are many rare and important habitats for species of plants and animals. Anglesey is significant for its flora, fauna, geology and archaeology. There are numerous locations of significance on the island that have been designated as Sites of Special Scientific Interest (SSSI), Special Protection Areas (SPA), Special Area of Conservation (SAC), Local Nature Reserves (LNR), and National Nature Reserves (NNR).

Anglesey is a very popular tourist destination, which attracts 1.63 million visitors each year that significantly benefits the local economy.

The most popular types of open-air recreation activities conducted on Anglesey by both residents and visitors include: walking, cycling, sailing, angling, bird/nature watching and windsurfing.

Launched in 2006, the popular Isle of Anglesey Coastal Path, (forming part of the Wales Coast Path launched in 2012) circumnavigates 130 miles around the entire perimeter of

Anglesey and lies almost entirely within the AONB. The Isle of Anglesey Coastal Path caters mainly for walkers, but some sections are accessible to other types of users. The coastal route connects with over 20 coastal towns and villages, enabling access to public transport, accommodation, shops, pubs and other facilities. The Isle of Anglesey Coastal Path continues to be an incredibly important asset for Anglesey's economy.

Anglesey has a dense network of PRoW that consist of Footpaths, Bridleways, Cycle routes, Restricted Byways and Byways Open to All Traffic (B.O.A.T). There are numerous promoted routes located across Anglesey that consist of both inland and coastal routes.

Anglesey's PRoW network provides a valuable recreational resource for our local communities and visitors alike. PRoW can offer a sustainable method of travel, contribute towards health and well-being initiatives and play a vital part in the economic development of Anglesey by encouraging tourism. PRoW are free to access and enjoy, which promotes social inclusion.

## **2.2 Introducing Anglesey's PRoW Network and Wider Access Opportunities**

PRoW's are highways over which the public have a legal right of passage. The majority of Anglesey is criss-crossed by a substantial network of PRoW.

<b>PRoW Category</b>	<b>Definition and Types of Users Permitted</b>
<b>Public Footpaths</b>	Provides users with a right of way on <b>foot</b> only. Any normal accompaniment (i.e. dogs under close control, pram or wheelchair) is also permitted.
<b>Public Bridleways</b>	Provides users with a right of way on <b>foot, horseback</b> (including the right to lead a horse), and <b>bicycles</b> (cyclists must give way to other users of bridleways).
<b>Cycle tracks/Cycleways</b>	These are routes specifically designated for <b>cyclists</b> and <b>pedestrians</b> . It is normally permitted to walk along cycle tracks (except when they are in or by the side of a made-up carriageway).
<b>Restricted Byways</b>	Provides a right of way for users on <b>foot, horseback</b> (including the right lead a horse), <b>bicycles</b> (cyclists must give way to other users of restricted byways), and users with <b>horse-drawn vehicles</b> . <i>Mechanically propelled vehicles are prohibited to be used on Restricted Byways.</i>
<b>Byways Open to All Traffic: (B.O.A.T's)</b>	Provides users with a right of way on <b>foot, horseback</b> (including the right lead a horse), <b>bicycles</b> and drive <b>any type of vehicle</b> (motorised or horse-drawn).



Anglesey's Wider Access Network:

Type of Public Access	Definition
<b>Permissive Paths</b>	Not official PRow and therefore do not possess the same legal status. But a landowner is willing to allow the public to use a route along their land.
<b>Access Land</b>	Access Land consists of <b>Open Country</b> and <b>registered Common Land</b> , which resulted from the CRow Act 2000. Access Land provides the public with a statutory right of access on foot for open-air recreation on mountain, moor, heath, down and registered common land.
<b>National Nature Reserves</b>	Were established to conserve and to allow people to study wildlife, habitats or geological features of special interest. All 4 of Anglesey's NNR's are open for the public to enjoy.
<b>Local Nature Reserves</b>	A statutory designation made under Section 21 of the National Parks and Access to the Countryside Act 1949, and amended by Schedule 11 of the Natural Environment and Rural Communities Act 2006, by principal local authorities
<b>Country Parks</b>	An area designated for people to visit and enjoy recreation in a countryside environment
<b>Village Greens</b>	A common open area within a village or other settlement. Traditionally, a village green was common grassland at the centre of a rural settlement used for grazing with a pond for watering cattle and other stock

Extent of Anglesey's PRow Network:

PRow Category	Length Total (km)
Footpath	1,076 (97.2%)
Bridleway	5.8 (0.5%)
Cycleway	15.4 (1.4%)
Restricted Byway	5.2 (0.5%)
Byway Open to All Traffic (B.O.A.T)	4.3 (0.4%)
<b>Total Length of PRow Network</b>	<b>1,107</b>

## **2.3 Strategies, Plans, Statutes and Guidance influencing the delivery of RoWIP 2**

### Policy Context

When carrying out the Assessment and formulating the Statement of Action, RoWIP 2 has regard to aims and objectives contained within other documents and plans published by the Isle of Anglesey County Council (in some cases in collaboration with other Local Authorities in North Wales), in related areas of work and certain policy areas, that overarch. These include broad subject areas such as: planning, resilient communities, health and wellbeing, education, recreation opportunities, tourism, managing the natural environment, improving the economy and sustainable development.

### Relevant Plans and Strategies considered within RoWIP 2 include:

- North Wales Joint Local Transport Plan 2015-2020
- Isle of Anglesey County Council Plan 2017-2022
- Anglesey and Gwynedd Joint Local Development Plan 2011-2026
- Isle of Anglesey County Council Cycling Strategy 2013
- The Isle of Anglesey Area of Outstanding Natural Beauty (AONB) Management Plan 2015–2020
- Isle of Anglesey County Council Bridleway Strategy 2004
- Anglesey Destination Management Plan 2016 – 2020
- Future Landscapes: Delivering for Wales 2017

### Relevant statutes considered within RoWIP 2:

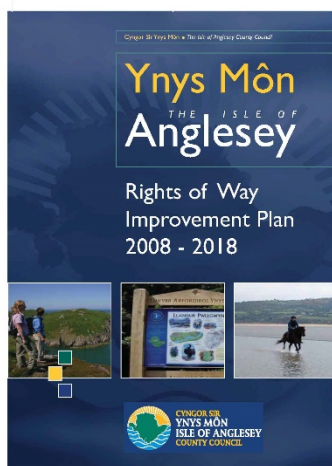
- The EA 2010
- The AT(W)A 2013
- The WFG(W)A 2015
- The E(W)A 2016
- The HA 1980
- The CRoW Act 2000
- WCA 1981
- TCPA 1990

### Relevant Guidance considered to formulate ROWIP 2:

- 'Guidance for Local Authorities on Rights of Way Improvement Plans' published by Welsh Government in 2016.
- 'Guidance for Local Authorities on Public Rights of Way' published by Welsh Government in 2016

### **3. Assessment of current provision, need and management**

#### **3.1 Evaluating the delivery and progress of Anglesey's First RoWIP**



Below are the key themes identified within Anglesey's [First RoWIP](#) Assessment and Statement of Action:

Key Themes Identified in ROWIP 1	Explanation
<b>Ease of use' of the PRow network</b>	Following an extensive condition survey (in 2005) the proportion of the PRow network classed as 'easy to use' was relatively low at <b>48%</b> . Identified the need to improve accessibility of the network.
<b>Public satisfaction levels on the network</b>	Despite the low 'ease of use' figure, following a public questionnaire analysis public satisfaction levels with regard to the PRow network was generally high.
<b>Importance of prioritisation of maintenance and improvement works</b>	Prioritising maintenance and improvement works to the PRow network was determined to be fundamental, given such an extensive network and limited resources
<b>Less abled access and encouraging use by non-participating individuals</b>	Upon evaluation, it was identified that more improvements to the network was required to provide more 'easy access routes'.
<b>Lack of bridleways in the network</b>	It was identified that a limited amount of progress had been achieved on improving provision for equestrians. RoWIP 1 aimed to increase the proportion of bridleways on the network and to implement aspects of the Isle of Anglesey County Council's Bridleways Strategy (2004).

<b>Lack of off-road cycling routes</b>	It was identified that the network offered little off-road cycling opportunities and that this issue needed to be addressed.
<b>Increase the proportion of circular routes</b>	It was identified that creating new circular routes was a high priority.
<b>Anglesey Coastal Path development</b>	It was identified that the development and improvement to the Anglesey Coastal Path should continue, to eventually achieve National Trail status.
<b>Definitive Map digitisation</b>	It was identified that priority should be given to complete work to digitise the map to conform to large scale OS mapping. This would allow the Council to publish a new consolidated Definitive Map and Statement and publish the map online.
<b>Install PRow management software</b>	To reinforce all PRow maintenance and improvement works.
<b>Promoting and publicising the network</b>	It was identified that improvements made to PRow and Anglesey's wider access network (i.e. Access Land) should be better promoted and the need to provide more information to the public thereon.

### Isle of Anglesey's First RoWIP Statement of Action

The Statement of Action in the first RoWIP had a total of **32** Actions under **6** PRow management themes:

<b>RoWIP 1 Main Management Themes</b>	<b>Number of Related Statements of Action</b>
<b>Maintenance</b> of the PRow network	9
<b>Improvements</b> to the PRow network	6
Creating a <b>Better Environment</b> (Environmental Good Practice)	6
Managing the <b>DM&amp;S</b>	3
<b>Health and Wellbeing</b> objectives	3
<b>Promoting</b> and <b>Publicising</b> the PRow network	5

The spreadsheet included at **Annex 2** provides full details on the progress and the extent to which the 32 Statements of Action in RoWIP 1 have been delivered.

It was identified that the most important Statements of Action not actioned/fully achieved are:

**Maintenance of the Network (M1): Route Prioritisation:** to date only 19% of individual routes have been given a priority grading. A decision is needed whether to continue with the current prioritising system or to formulate a new system.

**Maintenance of the Network (M2) Ease of Use:** although the Council had failed to reach

the target of 65% of routes being 'easy to use' by 2012 there has been a significant improvement, with 62.8% of routes passing the Ease of Use (BVPI) test in 2017. It is important that the upward trend in accessibility and ease of use of the network continues.

**Improvements to the Network (I4) Provision of Bridleways:** the target to establish 3 new off-road bridleways has not been achieved. Following public consultation as part of ROWIP 2, there is a clear demand for off-road horse-riding routes.

**Improvements to the Network (I6) Provide Easy Access Routes:** some progress achieved (i.e. tarmacking of Lon Las Cefni). However, the target to establish easy access routes within and around centres of population has not yet been actioned.

*These four Statements of Action remain relevant and are reflected within the Statement of Action and Delivery Plan 1 of RoWIP 2.*

### RoWIP Implementation Funding

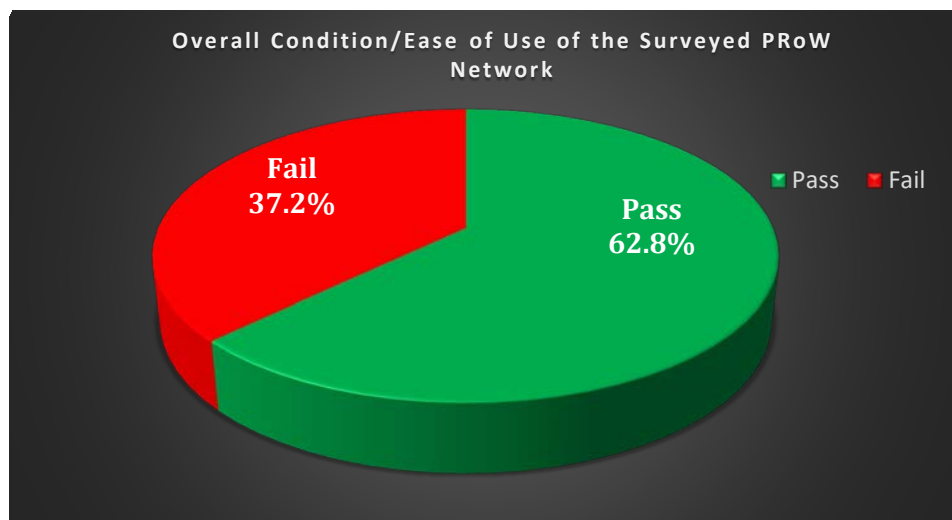
The Isle of Anglesey County Council has received an annual RoWIP implementation grant from Natural Resources Wales (which replaced the Countryside Council for Wales in 2013) since 2008. The grant totals £346,000 to date. Details of the various projects on which the funding has been spent is provided in **Annex 2**. RoWIP implementation grant ended in 2017/18.

## **3.2 Assessment of public rights of way and wider access in Anglesey**

### **3.2.1 Assessment of the current condition, accessibility and ease of use of Anglesey's PRow network**

To fulfil this key assessment a condition survey of the PRow network was undertaken using the **Best Value Performance Indicator (BVPI)** methodology. To achieve this, a **7% (77 km)** sample of Anglesey's PRow network was surveyed, which was divided proportionally over the 40 Town and Community Council areas to be representative of the whole of Anglesey. Our PRow management software, 'Countryside Access Management System' (CAMS) was used to randomly select PRow to survey. Condition surveys were undertaken between January and May 2017 using a tablet computer and CAMS Mobile software.

## PRoW Condition Survey Results (2017)



Overall, **62.8%** of the PRoW sample 'passed' and met the BVPI 'Ease of Use' criteria (*listed below*).

**37.2%** of the PRoW sample 'failed' to meet (one or more) of the BVPI 'Ease of Use' criteria due to various issues encountered.

Condition of PRoW was assessed based on 7 BVPI criteria:

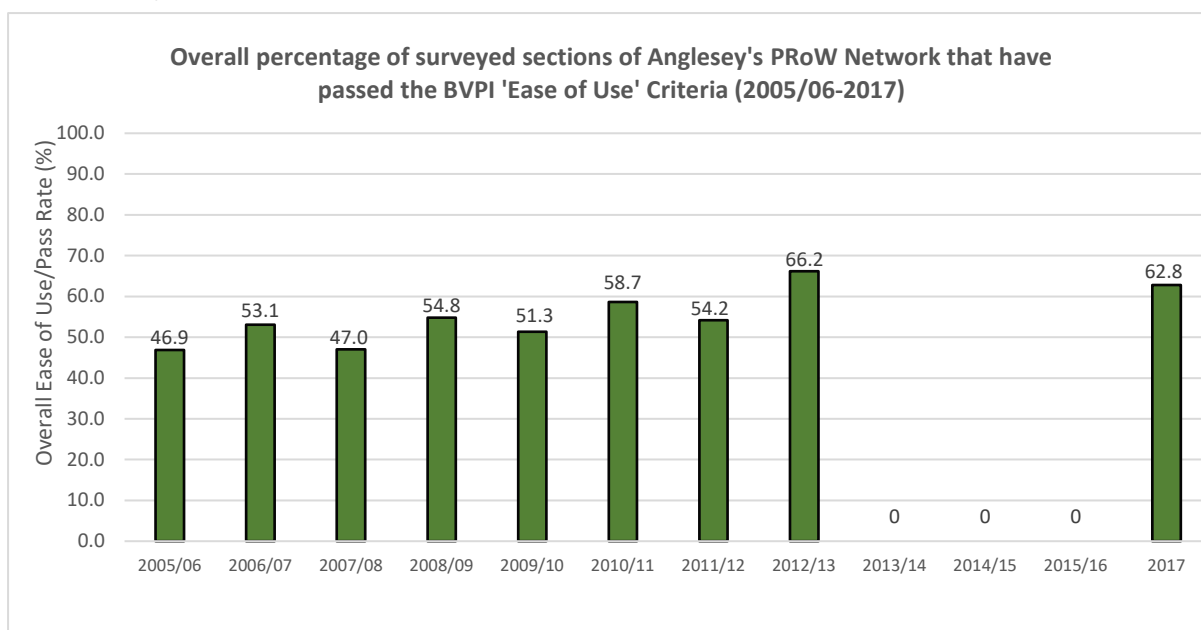
Assessed BVPI Ease of Use Criteria
1. Stiles and Gates
2. Signposting at Roadside
3. Obstructions
4. Ploughing and Cropping
5. Surface Condition
6. Bridges
7. Waymarking (along route)
*OVERALL* (Pass/Fail).

*Detailed results and analysis of the 2017 condition survey can be viewed in this [separate report](#).*

### Ease of use and accessibility of the network (survey results: 2005/06-2017):

- Between and including the financial years **2005/06** to **2012/13**, (including the most recent, in calendar year 2017) a minimum random sample of **5%** of Anglesey's PRoW network was surveyed using the BVPI 'Ease of Use' methodology.

- Surveys were not conducted in the financial years 2013/14, 2014/15, 2015/16 as it was no longer compulsory to do so (hence no data for those 3 years in the graph below).



Despite slight variances, the survey data over-time demonstrates a general upward trend in ease of use and accessibility. It important that this upward trend continues.

### **3.2.2 Anglesey's Definitive Map and Statement (DM&S)**

#### **What is the DM&S?**

The Definitive Map is a legal record and conclusive evidence of PRoW. It is without prejudice to routes that may currently be unrecorded/ not shown. The Definitive Map is accompanied by a Definitive Statement that describes in written form the routes shown on the Definitive Map. As a Surveying Authority, the Isle of Anglesey County Council is responsible for the management of the DM&S. The Council has a statutory duty under Section 53 of the WCA 1981 to keep the legal record of PRoW, the DM&S, up to date and under continuous review.

#### **Anglesey's DM&S**

The first DM&S for Anglesey was published in 1958 in accordance with the NPACA 1949, using information collected through a series of parish-based surveys. Its relevant date was 4 March 1954, i.e. the date of the draft map published 4 years earlier.

- The NPACA 1949 required periodic reviews of the DM&S. A review of Anglesey's DM&S was completed by the Isle of Anglesey County Council in 1969. (A review was also partially completed by Gwynedd County Council in the early 1980s).
- Since 28<sup>th</sup> February 1983, the DM&S is subject to a continuous review procedure whereby the Council has a duty to amend the map as soon as practical after legal events occur (i.e. orders to create, divert or extinguish paths, or creation agreements), and when evidence is discovered/ presented that the DM&S is incomplete or inaccurate.
- The WCA 1981 provides that Council's may, from time to time, consolidate the DM&S. The new DM&S must be given its own modern 'relevant date'. This process also allows publication of the map on up-to-date Ordnance Survey mapping background.
- The Council most recently consolidated Anglesey's DM&S in 2012 (its relevant date being 30 May 2012).
- It is identified that it will be beneficial to consolidate the DM&S at least every 10 years.

#### Viewing Anglesey's Definitive Map

- The interactive web version of the Definitive Map can be viewed on the Council's website at: <https://publicrightsofway.anglesey.gov.uk/web/standardmap.aspx>
- A working copy of the DM&S is available to view at the Isle of Anglesey County Council Offices in Llangefni (LL77 7TW).

#### Errors and anomalies within the DM&S

The method used in drafting the first DM&S in the 1950's resulted in a number of errors and anomalies. Some examples include:

1. Approximately **14** routes come to a 'dead-end' at current Town and Community Council boundaries.
2. Approximately **12** routes come to a 'dead-end' on a former parish boundary.
3. Miscellaneous 'anomalies' including suspected map drafting (human) errors, inconsistencies between the map and statement, routes recorded as footpaths when higher rights in fact exist.

#### Modifying the DM&S

To keep the DM&S under continuous review, changes to them are made through a legal process known as Definitive Map Modification Orders (DMMO's). DMMO's are made if the DM&S is proven to be incorrect or incomplete. The Council receives and processes applications for DMMO's, which involve adding unrecorded routes or altering the status or details for existing routes. DMMO proposals are made up of formal applications received from external persons/organisations (Schedule 14 applications) and proposals stemming from evidence uncovered by the Council (discovered evidence cases). It is important that DMMO applications contain strong and convincing factual evidence that include user evidence and/ or documentary evidence.



The Isle of Anglesey County Council currently has a backlog of approximately 70 DMMO applications/ proposals that require investigation and processing. This figure has been gradually increasing since 1996 and, on average, 6 new applications are received per year.

Anglesey's first RoWIP contained a prioritisation policy for managing DMMO cases. Despite this, the backlog of DMMO's is an increasing issue for the Council. In view of this a revised DMMO prioritisation policy is included within the 'Policies' section of the Delivery Plan (Appendix 3).

### The Council's records of limitations and conditions

Welsh Government's RoWIP Guidance requests a brief evaluation of the completeness of the Council's records of limitations and authorised structures on the PRow network, and the current processes for their authorisation.

A physical limitation or condition is a structure affecting use of a route such as a gate or stile located across the route. All boundary crossing structures (i.e. gates, kissing-gates, stiles) which existed when the route was dedicated as a PRow are lawful. All structures which existed at the relevant date of Anglesey's first DM&S (4 March 1954) are deemed to be lawful since this is our baseline. Additionally, in relation to routes created by user post-1954, structures which existed during the use period (normally a 20-year period) are lawful.

Additional structures which have been installed on the network after 4 March 1954 should have been officially authorised and licensed by the Council under Section 147 of the HA 1980. If they have not been officially authorised by the Council, they are unlawful and constitute an obstruction to the network.

Unfortunately, there is no complete record of historical structures on Anglesey. 60 Parish Survey maps were prepared between 1951 and 1954 and only 4 of these maps (parishes of Llannerchymedd, Llaneugrad, Llechcynfarwydd and Llanddeusant) have detailed annotations recording lawful structures. In some cases the Definitive Statements published in 1958 refers to structures and, where this occurs, it provides conclusive evidence of the legality of a structure.

There are approximately 5500 boundary crossing structures recorded within the PRow database and it impractical to go through them individually to determine lawfulness. Where a structure is suspected of being unlawful the Council will examine historical maps (and possibly old aerial photographs) to determine if a structure is lawful. The database is then updated on a case by case basis. Where an unlawful structure is found the Council will ask the landowner/ tenant to seek retrospective consent for it (see below) or remove it.

### The process of authorising new structures on the PRow network

New structures installed on footpaths and bridleways must be officially authorised by the Council under Section 147 of the HA 1980. This section allows landowners/ occupiers to apply to erect a new gate or stile on a path provided that the land is being used for agriculture, and that in order for this agriculture to be carried on efficiently, a structure is needed to control the ingress and egress of animals. Agricultural land includes land that is

being brought into use for agriculture, nurseries, land used for grazing and for forestry. This also includes land for the breeding and keeping of horses

The Council provides guidance notes and an application form relating to Section 147. When a licence has been granted for installation of a new structure, the new structure is recorded in the PRow database along with a copy of the licence.

There are times when the Council installs a barrier on a public footpath for the safety of the public users. This is justified through the HA 1980 section 66 if the Council has evidence that the public is at risk. The rights of private users also must be taken into account. Barriers which the Council installs itself pursuant to s66 are recorded in the PRow database.

*The Council's policies regarding managing structures on the PRow can be viewed in more detail within ['Policies'](#) section referred to in the Delivery Plan.*

### **3.2.3 Public Path Orders (PPOs)**

The Council has discretionary powers to alter the PRow network through legal procedures, referred to as Public Path Orders (PPO's). PPO's have the effect of diverting, extinguishing and creating footpaths, bridleways and restricted byways under various Sections of the HA 1980 and TCPA 1990. The Council has succeeded in keeping on top of applications for PPO's from external persons/ organisations and currently there is no backlog.

There are approximately **60** PPO's the Council would like to initiate itself for various reasons that would significantly benefit Anglesey's PRow network, for example to:

- Provide a significant positive impact on the network, (i.e. resolve a missing route link issue).
- Reduce maintenance costs, (i.e. where a diversion could save major expense in the long-term).
- Resolve long-term and substantial obstructions, (e.g. a residential property constructed on PRow).
- Formalise changes which occurred on the ground during old highway improvement schemes, where no Side Road Order (SRO) was made at the time.
- Rectify poorly designed SRO's (e.g. two SRO's made in the 1990's for the A55 contained several anomalous route changes which need to be rectified).

The first ROWIP contained a PPO prioritisation policy, which continues to be relevant and adequate and has been included within the policies section referred to in the Delivery Plan.

### **3.2.4 Current workings of the RoW Unit - Maintenance, Enforcement and Improvement**

#### **3.2.4.1 Maintenance/ Improvement**

The Council's PRow Unit comes under the umbrella of the Highways, Waste and Property department of the County Council. The unit is currently made up of a team of 5 officers and includes two officers dedicated to the maintenance and development of the coastal path.

It can be stated that currently the unit, except for the coastal path team work on a very reactive basis and are constantly 'firefighting' problems on the network. Most of these problems are passed through to the unit by users, landowners and through regular consultation with the local Ramblers Association group and TaCC's. Little proactive condition survey work is undertaken by staff, predominantly due to lack of time. The coastal path is the exception to the rule, as available external funding and staff resources have resulted in both proactive monitoring and enhancement work to the path, which is well above that seen on most other paths on the island.

TaCC's have no statutory duties for PRoW but they have these rights and powers which can significantly contribute to improve public enjoyment of Anglesey's PRoW Network:

Power	Act
To undertake maintenance of any footpath, bridleway or restricted byway	HA 1980, s43
To erect lighting on any footpath or bridleway	PCA 1957, s3
To erect notices on footpaths and bridleways warning of local dangers	RTRA 1984, s72
To erect seats and shelters in, or on any land abutting on any road/path within their area	PCA 1957, s1
To prosecute anyone who wilfully obstructs the free passage along any highway	HA 1980, s137
To prosecute if a footpath has been lawfully ploughed or disturbed, but not restored, or if any highway has been unlawfully ploughed or disturbed	HA 1980, s131A & s134
To prosecute an occupier who fails to ensure that crops do not inconvenience users of footpaths, bridleways and non-metalled carriageways	HA 1980, s137A
To insist to the highway authority that a particular footpath, bridleway or restricted byway should be signposted where it meets a metalled road.	CA 1968, s27
To create new highways by agreement with the landowner over land in their own and adjoining communities.	HA 1980, s30

At present approximately half of the 40 TaCC on Anglesey undertake some maintenance work on public paths in their areas, mostly routine strimming work and occasional small scale surface maintenance. This has steadily declined because two thirds of local councils undertook such work in 2000. The County Council offers payments to local councils to undertake this work, which can be reclaimed by the end of each financial year. Each council is allocated a budget based on the length of PRoW in their area, the average budget for each council being £1302 per year in 2017/18.

The table below provides information on claims from TaCC's since 2010:

Financial Year	% of available budget claimed	No of councils claiming (out of 40)	No of councils claiming their full allocation (out of 40)
2017/18	30.5%	22	9
2016/17	32.1%	17	6
2015/16	34.7%	22	7
2014/15	29.2%	18	6
2013/14	21.9%	15	6
2012/13	33.7%	24	5
2011/12	35.2%	21	4
2010/11	49.9%	23	8

Whilst the work done by TaCC's is valued it has to be stated that the quantity and quality of work varies substantially from area to area. Some councils take a keen interest in their PRoW and provide a good service in maintaining them. Others take a less proactive approach and at times is difficult to persuade them to provide better service. For example, the number of cuts per year varies between 1 and 3 dependant on the TaCC area. Additionally, most TaCC's tend to concentrate on well used paths close to settlements and more rural routes tend to be neglected.

Given that complaints about vegetation is one of the most common issues, it is considered that reviewing the current arrangement with TaCC's is desirable, with a view to supporting them to provide better service and increasing the number claiming.

### 3.2.4.2 Enforcement

Under Section 130 of the HA 1980 the Council has a duty to assert and protect the rights of the public to freely use and enjoy the PRoW network. Section 137 of the HA 1980 makes it unlawful for any person to 'wilfully' obstruct the free passage along a highway.

As indicated within the condition surveys (2005 to 2017) obstructions on the network have consistently been the most prevalent and extensive issue affecting ease of use and accessibility.

Enforcement action against landowners/ occupiers is carried out on a regular basis whereby the Council serves a notice under a section of the HA 1980 and, if the owner/ occupier fails to comply, the Council can carry out work and recover costs. It is considered that current arrangements in this regard are satisfactory. **However it would assist if a hierarchy of routes**

is established so that enforcement action is focused on the most important paths (see statement of action 1.)



However, in order to better protect the network in the future a more proactive approach needs to be adopted by the Council with regard to prosecution of landowners who obstruct or unlawfully interfere with the network. Since 2008 only 5 cases have been taken to the Magistrates Court.



A '**Prosecutions Working Practice**' Policy was formulated in ROWIP 1. The policy remains relevant and adequate however legal arrangements for the way the Council deals with

prosecutions needs to be reviewed. Prosecutions are currently handled through a system covering North Wales local authorities whereby Denbighshire Council appoints a solicitor from the Prosecution Team. This has proven to be ineffectual in certain cases as the appointed solicitor lacked highway law experience and failed to support the case with relevant case law references. This system needs to be reviewed as PRow staff lack confidence in it.

### 3.2.4.3 Working with Volunteers

Over recent years, Anglesey's PRow network has significantly benefited from improvement and maintenance works undertaken in partnership between the Council and the 'Silver Slashers', which is a volunteer group set up by the Anglesey branch of The Ramblers Association. This close and proactive partnership has facilitated regular maintenance and improvement works to be undertaken on the PRow network, for example:

- Installation of new or replacement boundary structures (such as stiles and gates),
- Replace existing structures with less restrictive types (contributing to the Council's **Least Restrictive Access Policy**).
- Clearance of vegetation.
- PRow surface improvements such as drainage works and the construction of boardwalks.
- Replace or repair footbridges.
- Assisting users to navigate through repairing and installing new signage and waymarkers.





Maintenance and improvement works by volunteers has been of invaluable importance to the Council in managing and improving the network, especially given the financial pressures and limited resources currently experienced. Since publication of Anglesey's first RoWIP this arrangement has significantly improved the standard and accessibility of numerous sections of PRow on Anglesey. Consequently, the Council will endeavour to maintain this partnership throughout the implementation of RoWIP 2.

### **3.2.5 Promoted Routes**

#### **Isle of Anglesey Coastal Path**

The Isle of Anglesey Coastal Path circumnavigates a distance of 130 miles around the entire perimeter of Anglesey, and falls almost entirely within a designated Area of Outstanding Natural Beauty (AONB). Anglesey's AONB includes 95% of Anglesey's coast. The route passes through varying landscapes that include a mixture of farmland, coastal heath, sand dunes, sandy beaches, salt-marshes, foreshores, cliffs, woodland, and Nature Reserves. The Anglesey Coastal Path forms part of the Wales Coastal Path, officially launched in 2012. The Wales Coastal Path is 870 miles long and follows or runs close to the entire coastline of Wales. The Wales Coast Path was developed by the Welsh Government in partnership with Natural Resources Wales, sixteen Local Authorities and two National Parks. The Anglesey

Coastal Path (and thus the Wales Coastal Path) has been a major economic success, and is a very important asset and contributor to the local economies of Wales and Anglesey, as it attracts many visitors. The Anglesey Coastal Path is also an important resource for local residents to enjoy more of Anglesey's stunning coastline and natural environment, as well providing many health and wellbeing benefits.

### **The Isle of Anglesey Coastal Path improvement projects**

Since publication of Anglesey's first RoWIP, major improvements have been undertaken on the Coastal Path. These include:

- i. New access where no path previously existed,
- ii. Improving accessibility and ease of use,
- iii. General improvements to enhance public experience and enjoyment.

To achieve these improvements a significant amount of capital has been invested in the path, acquired from:

- **Coastal Access Improvement Project (2007-2013)**  
A significant funding source for major improvements to the Coastal Path with overall spending in the region of **£1.8 million** within this period.
- **Maintenance Grant/ Welsh Coast Path Development Project (2014-present)**  
Majority of funding secured from Natural Resources Wales, and internal budget from the Council. Approximately **£500,000** has been invested on various Coastal Path improvement schemes since 2014.

### **Case Study: Aber Alaw improvement scheme**

A significant improvement scheme, completed in 2012. The scheme was implemented to connect the Valley and Llanfachraeth sections of the coastal path which were previously inaccessible (other than along busy public roads). This project involved a significant amount of investment and work, which included:

- Path Creation Order for the creation of a new route of 2.1 KM (including landowner compensation)
- Constructing a steel bridge spanning 32 metres,
- Over 5 km of fencing,
- Installation of approximately 12 new structures including gates, boardwalks, and small bridges.





### **Case Study: Llanddona coast improvement scheme**

- The most recent substantial improvement project that was completed in early 2018. It runs from Fedw Fawr to just west of Bwrdd Arthur.
- Involved relocating a section of the coastal path which was on a public road to a new path in close proximity to the coast.
- The new route was created through Creation Orders (Section 26 of the HA 1980) and Creation Agreements (Section 25 of the HA 1980).
- Overall spend: approximately £40,000.
- This improvement scheme has created a new 3 km easily navigable section of the Anglesey Coastal Path.
- This project will enhance and make it easier for more people to experience and enjoy Anglesey's coastline and natural environment.
- This improvement scheme will benefit the whole coastal path network.



### **Managing structures and improving accessibility**

Over recent years, the Council has gradually phased out and reduced the number of stiles on the Anglesey Coastal Path. There have been many successful examples where the Council has formed agreements with landowners (Section 147ZA: HA 1980) to replace stiles with less restrictive types of structures (i.e. kissing or pedestrian gates). To preserve the character of certain areas, where historical stone stiles are present, a kissing gate or pedestrian gate will usually be installed adjacent as opposed to removing the stile in order to preserve aesthetics. Following analysis of existing Coastal Path structures it was concluded that there are approximately **25** stiles present on the Anglesey's Coastal Path with no alternative passing means (i.e. by means of an adjacent gap or kissing/pedestrian gate). The Council, during implementation of RoWIP2, will formulate a work programme to remove more stiles from the Coastal Path, continuing to improve accessibility for less-able users and contribute to the Council's Least Restrictive Access Policy and the Wales Coastal Path Quality Standards.

#### **Additional accessibility improvements regularly undertaken on the Coastal Path:**

- **Design improvements** to structures to allow more manoeuvring space.
- **Construct boardwalks** to facilitate easier passage over waterlogged and muddy surfaces and use recycled plastic for their construction to increase their longevity.
- **Drainage and path surface improvements** to reduce the proportion of the Coastal Paths that are waterlogged and muddy.
- Consistent use of **high quality oak** for gates and signage.
- Adopt a proactive approach in monitoring and managing the Coastal Path through regular **condition surveys** (approximately every **18 months**) to maintain an up-to-date record of the current condition of the path and formulate a maintenance and improvement work programme.

### Other Promoted Routes on Anglesey:

There are numerous other long and short distance promoted routes located across Anglesey.

- Amlwch/Llaneilian Walks (1-6)
- South West Heritage Walks (Dwynwen, Llywelyn, Maelog, Menai, Rhosyr)
- Coastal Walks (Cemaes, Llanddona, Pentraeth, Rhoscolyn, Rhosneigr)
- Saints Circular Walks (Beuno, Cadog, Cawrdaf, Ceidio, Cwyfan, Cybi, Dona, Eilian, Elaeth, Iestyn, Nidan, Sannan, Seiriol, Gallgo)
- Archaeological Walks (Bryn Celli Ddu, Brynsiencyn-Llangaffo)
- 2 Lighthouses Walk
- Lon Las Cefni

To maintain Anglesey's promoted routes to an acceptable standard, regular inspections and surveys are required to be undertaken. For example Lon Las Cefni is inspected regularly (at least twice a year). However, a lack of resources has meant that other promoted routes are not inspected and surveyed as regularly as desired. Unfortunately, a lack of regular surveying has resulted in the deterioration in the condition of some of Anglesey's promoted routes.

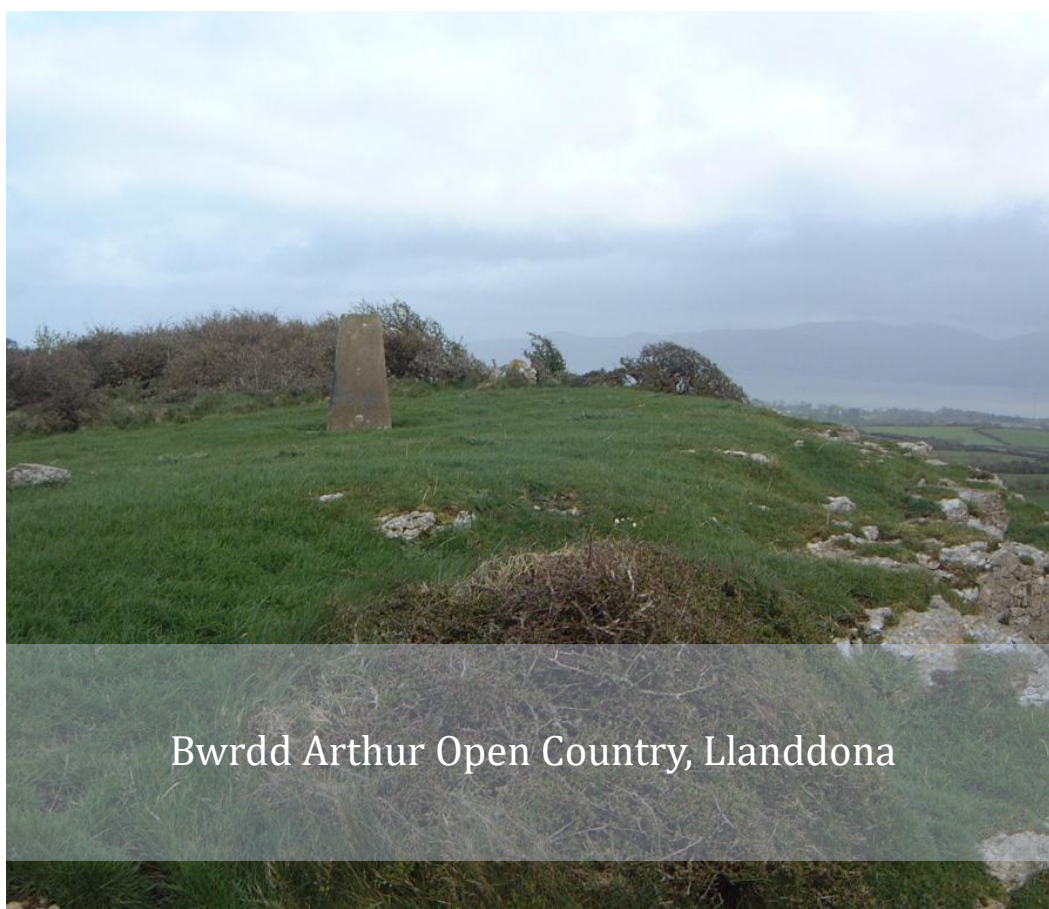
### **3.2.6 Access Land**

Open Country (715 hectares)
Common Land (785 hectares)
National Nature Reserves (1,835 hectares)
Local Nature Reserves (55.7 hectares)
Country Parks (51.5 hectares)
Village Greens (25.4 hectares)

The table summarises the extent of CROW Act 2000 Access Land on Anglesey.

An interactive map showing designated Access Land can be viewed online on the Council's website.

<https://publicrightsofway.anglesey.gov.uk/web/standardmap.aspx>



#### Access Land accessibility issues:

A desktop assessment into the accessibility of Open Country and Common Land indicated that the vast majority thereof can be accessed from public roads or from PRoW's.

However, there are some exceptions that are require to be addressed:

- 2 areas of Access Land (Llaneilian 0.45Ha and Llanfaelog 1.17Ha) are 'inaccessible islands'
- 3 areas of Access Land (Cylch y Garn 7.71Ha, Trearddur 4.96Ha, and Llanfair-yn-Neubwll 37.18Ha) can only be accessed along permissive sections of the Anglesey Coastal Path.
- 1 area of Access Land (Llanfair yn Neubwll 4.45ha) can only be accessed by a private Ministry of Defence bridge

#### Improving Access Land accessibility

A more detailed assessment of Access Land accessibility is desirable, to formulate a comprehensive programme of improvement work. Potential improvements could include:

- Improve Access Land signage and markers at 'access points'
- Improve links to Access Land from existing PRoW.

- Provide more information to the public on Access Land and promote the benefits of using Anglesey's Access Land.

### **3.2.7 Permissive/ concessionary routes**

Permissive Paths are created when an agreement is formed between the Council and a landowner. They are created when a landowner is willing to allow people to use a route over their land, but not dedicate it as an official PRow. Permissive Paths therefore do not have the same legal rights as official PRow, The landowner may impose certain restrictions on the use of Permissive routes. Although Permissive routes are not official PRow they are a valuable asset to the PRow network, and improve access to Anglesey's PRow network and countryside, where there is no alternative PRow.

There are a total **25** recorded Permissive routes on Anglesey extending for approximately **19 KM**. Over 75% of Anglesey's Permissive routes are located on the Anglesey Coastal Path.

In the future the Council will endeavour to improve information on Permissive Routes and include them on the Council's interactive online mapping system.

### **3.2.8 Unclassified Roads**

Unsurfaced Unclassified County Roads (UCR's) ('White Roads' or 'Green Lanes') refer to an uncoloured 'road, drive or track' that are shown on OS Maps. These are non-tarmac routes maintainable by Anglesey County Council and may have motor vehicular rights. UCR's on Anglesey are not shown on the DMS but they are listed on the County Council's "List of Streets", which forms part of the Gazetteer of Anglesey roads. There are approximately 28 unsurfaced UCR's on Anglesey that extend for **12.8 KM**.

Approximately 6 of these routes are former carriageway alignments which have not been stopped-up when a new carriageway was built. As they are generally very short and serve no useful purpose they can be potentially stopped up under S116 of the HA 1980.

The other unsurfaced UCR's can potentially provide valuable routes for many types of users (e.g. equestrians) however, information on such routes is not well publicised. Ideally these should be added to the DMS as BOAT or Restricted Byway however the full DMMO procedure must be followed in each case. Inclusion of these routes on the Council's online mapping system would be a very beneficial resource.

### **3.2.9 Sustainable Transport objectives**

Anglesey's PRow network has significant potential to offer viable and sustainable modes of travel, through facilitating the use of non-motorised modes of transport as viable alternatives to motorised forms of transport. In order to achieve the network's greater potential, significant investment and strategic improvements are required on key aspects of the PRow network. RoWIP 2 aims to incorporate the priorities, aims and objectives for improving and

developing sustainable transport on Anglesey, which are outlined the **North Wales Joint Local Transport Plan (LTP) 2015-2020** and **Active Travel (Wales) Act 2013**.

The key issues that the LTP aims to address is:

- *“The lack of viable and affordable alternatives to the car to access key employment sites and other services”*
- *“Improve connections to key destinations and markets, enhance access to employment and services, increase levels of **walking** and **cycling**, bring improved safety and security and at the same time bring benefits and minimised impacts on the environment”.*

Within this LTP, North Wales’ Local Authorities aim to remove barriers to economic growth, prosperity and wellbeing by delivering safe, sustainable, affordable and effective transport networks.

Through effective planning, investing and implementing improvement measures to Anglesey’s PRoW network, the network could significantly contribute to:

- Encourage safer, healthier and sustainable travel modes by both local residents and visitors.
- Improved links and accessibility to key services and employment sites, with more opportunities available through improving existing infrastructure and creating more high quality off-road cycle routes, multi-user routes, footpaths provision, safe routes to school, travel planning to encourage more walking and cycling (Active Travel), for shorter commuter journeys.

Related Statutes/Documents:

- **AT(W)A 2013,**
- **The North Wales Joint Local Transport Plan 2015,**
- **The Isle of Anglesey County Council Cycling Strategy 2013.**
- 
- 

### **Economic and social benefits**

A well-managed, improved and a more integrated and accessible PRoW network can provide safer and more convenient access to key services and employment sites on Anglesey. The PRoW network offers a free of charge transport mode, for all people in society to use, and is key in reducing social inequalities and exclusion. This is especially important in more deprived communities on Anglesey where a significant proportion of the population cannot afford access to private motorised vehicles. These initiatives will improve the health and wellbeing of Anglesey’s population, through increasing opportunities for regular exercise, and link with key transport and health and wellbeing policy areas.

Related Statutes/Documents:



### Benefits of Active Travel include:

- Health and wellbeing benefits (through exercise and general healthy lifestyle choices),
- Economic benefits (contributing to tackling poverty, inequalities and social exclusion),
- Environmental benefits (reducing traffic and air pollution).

It is widely recognised that Anglesey's PRoW network is an important recreational resource for both residents and visitors. However, the network is currently less valued as an asset and contributor to meeting sustainable transport objectives. Anglesey's PRoW network certainly has an important contribution to make towards meeting the objectives of the AT(W)A 2013 and wider sustainable transport objectives. Anglesey's PRoW network has considerable potential to create more opportunities to provide safer, sustainable, off-road Active Travel routes. Both short and long-term investment to improve Anglesey's PRoW network is essential to increase the number of people using the network for Active Travel purposes.

### 'Existing Routes Maps'

Following a period of public consultation in 2016, the Council produced and submitted our **Existing Routes Maps** for designated areas in Anglesey. These maps contain on-road and off-road routes (including sections of PRoW), for both walkers and cyclists, considered suitable to meet the requirements of the AT(W)A 2013 .

The 7 settlements designated by the Welsh Government are:

- Caergybi/Holyhead
- Y Fali/Valley
- Amlwch
- Benllech
- Porthaethwy/Menai Bridge (including Llandegfan)
- Llanfairpwllgwyngyll
- Llangefni

Existing Routes Maps for these areas have been approved by the Welsh Government and are available to [view](#) on the County Council's website.

### 'Integrated Network Maps'

Another requirement of the AT(W)A 2013 is for the Council to produce **Integrated Network Maps** for the 7 designated areas listed above. The draft Integrated Network Maps were sent for approval by the Welsh Government in November 2017. However they were not accepted at the first submission and must be resubmitted by August 2018.

Producing these maps provided a valuable opportunity to analyse and map sections of Anglesey's PRoW network that are currently or potentially suitable (after specific improvements) to serve as high quality Active Travel routes.



Securing grants for such improvements would significantly benefit and increase the standard and accessibility of sections of Anglesey's PRow network.

Potential sources of funding for such improvements could be:

- The Local Transport Fund,
- Road Safety Capital Grant,
- Safe Routes in Communities Grant

### **3.3 Assessing user needs**

#### **3.3.1 Public consultation**

A vital aspect of RoWIP 2 is to assess the extent to which Anglesey's PRow network meets the **present** and **future** needs of the public. To fulfil this key assessment, consultation was conducted using 3 targeted online questionnaires. The Questionnaires provided an opportunity to obtain a broad and diverse range of views and opinions from the public and interested parties. This feedback has contributed to shape the aims and objectives of RoWIP 2.

The 3 questionnaires were:

- i) Public questionnaire
- ii) Landowner's questionnaire
- iii) Town and Community Council questionnaire

During the consultation stage members of the public and interested organisations were provided the opportunity to provide additional feedback to the Council through letters, email, telephone, and social media to further expand on issues and themes raised within the questionnaires.

A full and comprehensive report on the results and analysis of the questionnaires can be accessed [here](#).

#### **3.3.2 Disability and "Access for All"**

One of the statutory assessments required for RoWIP 2 is to assess the accessibility of Anglesey's PRow network for people with disabilities including people who are blind, partially sighted or have mobility difficulties (less-able users), and have due regard for the requirements of the EA 2010. This section assesses the needs of less-able users and outlines how key improvements can be made to Anglesey's PRow network, to improve accessibility for less-able users and those who currently do not participate in use of the network.

##### **The EA 2010:**

*"The Equality Act 2010 legally protects people from discrimination in the workplace and in wider society. It replaced previous anti-discrimination laws with a single Act, making the law easier to understand and strengthening protection in some situations. It sets out the different ways in which it's unlawful to treat someone" (<https://www.gov.uk/guidance/equality-act-2010-guidance>).*

The EA 2010 specifies a number of ‘**protected characteristics**’ that include:

- age,
- sex,
- disability,
- gender reassignment,
- marriage and civil partnership,
- pregnancy and maternity,
- race,
- religion or belief,
- sexual orientation.

The EA 2010 makes it unlawful to directly or indirectly discriminate against someone on the grounds of those ‘protected characteristics’. Section 149, of the EA 2010 introduces a ‘public sector equality duty’ requiring that in exercising its functions, authorities must have due regard for the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited under the Act.

### **“Easy Access Routes”: Improving the management of structures on the PRow network**

Appropriate management of structures on the PRow network is crucial in determining how accessible and ‘easy to use’ sections of the network is to certain types of users. Structures present on the network can prove to be significant barriers to certain types of users and deter some people within society from using and enjoying the PRow network. For example, stiles can prove to be very restrictive structures for many less-able users and kissing gates are less restrictive than stiles but may prove an obstacle for people using pushchairs or wheelchairs.

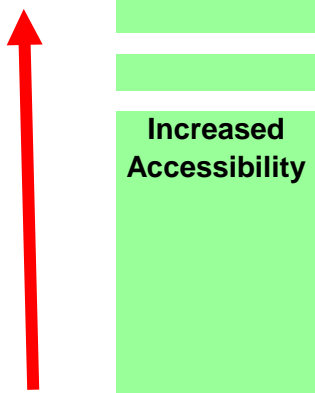
Structures can affect the accessibility of the PRow network for:

- i.) **Disabled people:** including those with limited mobility and/or sight impairments.
- ii.) those using **pushchairs**
- iii.) **Elderly** or very **young** individuals.

It is therefore vital to adopt a holistic approach and always consider the needs of less-able users when authorising new structures or when making improvements to the PRow network in order to reduce the physical barriers. This holistic approach to managing PRow will establish a more easily accessible and inclusive PRow network.

A fundamental aspect of managing structures on the PRow network is the implementation of the ‘**Least Restrictive Access Policy**’. This policy involves installing the least restrictive type of structure practically possible on the network when installing new, replacing existing structures or when making general improvements to the network:

The Council's Least Restrictive Access Policy Principles (Descending Order of Preference)	
1.)	<b>Gap:</b> most favourable option, and the least restrictive type of structure
2.)	<b>Pedestrian Gate:</b> favourable type of structure, provides easy access to users
3.)	<b>Kissing Gate:</b> favourable, however some users may encounter difficulties using kissing gates, (such as wheelchair or pushchair users).
4.)	<b>Stile:</b> least favoured option, and is the most restrictive type of structure. Stiles will usually not be permitted on newly created PRow. A stile will only be installed on the network if all the other types of structures are not possible or practical to be installed, and if the Council has been unsuccessful to reach an agreement with a landowner.



When implementing this Least Restrictive Access Policy, a balance is needed between meeting guidance and considering landowner's and occupier's requirements (such as stock proofing) as well as the historical significance of certain structures (old stone stiles/gates of a certain characteristic local design) present on the network.

An effective way of improving accessibility of the PRow network is to enter into agreements with landowners/ occupiers under **Section 147ZA** of the HA 1980. These types of agreements allows the Council to replace existing structures with less restrictive types, to improve accessibility for less-able users.

When a new structure is requested by a landowner/occupier under section 147 of the HA 1980 (see 3.2.2) the Council will only allow kissing and pedestrian gates to be installed to ensure good accessibility.

### Improving surfaces of PRow

As well as the appropriate management of structures on the network, improving the surfaces of PRow is also an important contribution to improve accessibility for all users, especially, less-able users. Section 62 of the HA 1980 gives the Council 'general power of improvement' in order to undertake improvements to the surfaces of any highway. Improvements made to the surfaces of PRow are vital as the type of surface and gradient can prove a major obstacle for less-able users.

The types of surface improvements that significantly benefit less-able users include:

- Widening (especially important for 'multi-user routes')
- Improving quality of the surface to provide firm, level surfaces (by tarmacking/concreting) that is well drained and free from mud.

Providing more easy access routes or stile-free routes on Anglesey, that are adequately surfaced, will create a more accessible and inclusive PRow network that will benefit all types of users.

### **Gradient analysis of the PRow network**

In 2017 a consultant was commissioned to undertake a gradient analysis of Anglesey's PRow network. This was undertaken by means of a desktop exercise using a Geographical Information System (GIS). The gradient data has been imported into our PRow database. Establishing the gradients of the network is important as having an adequately flat and shallow topography/surface will particularly benefit people who have limited mobility (particularly those dependant on a wheelchair), and those who are blind or partially sighted. Utilising this data, along with data on structures, will allow the identification of routes that are, or potentially (after improvements) suitable for less-able access and serve as high quality easy access routes.

The Council does not have a complete record of path surface types in our database therefore it is likely that additional surveys will be required before information on 'easy access routes' can be fully publicised.

### **3.3.3 Improving health and wellbeing**

There is overwhelming evidence from various sources of the significant benefits that the natural environment and regular physical exercise can provide for people's physical and mental health and wellbeing. According to the NHS Direct Wales [website](#), people who conduct regular physical activity have a lower risk of developing many chronic diseases, such as: heart disease, type 2 diabetes, strokes, and some cancers. Research also illustrates that regular physical activity can boost self-esteem, mood, sleep quality and energy levels, as well as reducing the risks of stress and depression.

A major health issue facing the UK, and indeed Wales, is the growing number of people who are overweight or obese, which is putting a significant amount of pressure on resources and services such as the NHS. [The National Survey for Wales \(2016-17\)](#) indicates that **59%** of adults (aged 16 and over) in Wales are either overweight or obese. Regular physical activity, such as walking and cycling, can help people who are overweight or obese reduce their weight, and reduce the risks of developing many health implications that being overweight or obese can cause.

Given the abundance of evidence emphasising the importance of regular physical activity on our physical and mental health and well-being, Anglesey's natural environment and PRow network, undoubtedly, has a significant role to play in providing such health and wellbeing opportunities and benefits. With investment and strategic improvements the PRow network has further potential to improve the quality of life, reduce health inequalities and create a more active and healthier society. More people walking and cycling instead of using private motorised transport will provide many environmental benefits, by reducing air pollution and congestion from motorised vehicles.

A well-managed, improved, better integrated and a more accessible PRow network is very likely to increase the number of people that will use the network to improve their personal health and wellbeing, and will contribute to achieve wider health and wellbeing goals. Such improvements are particularly important in more deprived communities on Anglesey, as the PRow network provides a free resource.

Increasing the number of **multi-user routes** that are accessible to all people including equestrians, cyclists, less-able users and non-users, is paramount to provide more opportunities to use the PRow network for health and wellbeing benefits.

RoWIP 2 endeavours to strategically achieve wider health and wellbeing goals and objectives in conjunction with other legislation and policies as specified within the 'Policy Context' Section of this document. Where possible, the Council will aim to safeguard, enhance and promote the PRow network in order to improve safety, accessibility, and to increase health, leisure, and wellbeing benefits for all people within society.

### **How RoWIP 2 links with wider health and wellbeing objectives?**

There are many wider health and wellbeing initiatives outlined and promoted by the Welsh and UK Governments, Local Authorities, national and local organisations and campaigns that aim to improve the nation's health and wellbeing. These aim to promote healthier lifestyles by getting more people to participate in regular physical activity, to achieve healthier and more resilient communities.

### **The Well-being of Future Generations (Wales) Act 2015**

RoWIP 2 aims to deliver aims and objectives, outlined in relevant legislation such as the **WFG(W)A 2015**. The Act aims to improve the social, economic, environmental and cultural well-being of Wales and to implement the principle of sustainable development. The Act places a duty on the Council to plan long-term, work more closely with people and communities and have a more holistic approach; to tackle issues such as climate change, poverty, health inequalities, lack of employment and economic growth. The Council aims to create a PRow network that provides equal opportunities for everyone, strengthen social cohesion and sustainably improve the health and wellbeing of current and future generations.

The WFG(W)A 2015 has put in place 7 'well-being goals' in order to address these issues:

- A **prosperous** Wales
- A **resilient** Wales
- A **healthier** Wales
- A more **equal** Wales
- A Wales of **cohesive communities**
- A Wales of **vibrant culture** and **thriving Welsh language**
- A **globally responsible** Wales

The WFG(W)A 2015 established statutory Public Service Boards (PSBs) which replaced the voluntary Local Service Boards in each local authority area. Each board has a duty to:

- assess the state of economic, social, environmental and cultural well-being in its area
- set objectives that are designed to maximise the PSBs contribution to the well-being goals.

Each PSB must prepare and publish a plan setting out its objectives and the steps it will take to meet them. This is called a Local Well-being Plan. It must say:

- why the PSB feels their objectives will contribute within their local area to achieving the well being goals
- how it has had regard to the assessment of Local Well-being in setting its objectives and steps to take

Anglesey and Gwynedd's Local Well-being plan can be found at <https://www.llesiantgwyneddaron.org/en/>

#### The Isle of Anglesey County Council Plan (2017-2022)

This Plan aims to create communities on Anglesey that are “*healthy, thriving and prosperous*”. RoWIP 2 aims to contribute towards these aims.

#### **Let's Walk Cymru**

Let's Walk Cymru is a walking programme that extends throughout the whole of Wales. The programme is run by Ramblers Cymru and is funded through a grant from the Welsh Government. The programme is aimed to make the population of Wales healthier and more active through regular walking. Their [website](#) allows Anglesey's residents and visitors to search for local walks, and download and print information and maps of various selected routes. Anglesey's residents and visitors can arrange the walks themselves or join an organised group/guided walks that run on a regular basis across Anglesey. Anglesey's PRow network forms an integral part of this walking programme.

#### **Change4Life (Wales)**

**Change4Life** is a national health campaign in England and Wales. In Wales it is supported by the Welsh Government, aimed at providing valuable advice and support to Wales' population to improve their health and wellbeing.

One of the main initiatives spanning from the campaign is **Walk4Life** which promotes the benefits of regular walking to improve personal health and wellbeing. The Council recognises that the PRow network has a vital role to play in achieving the aims outlined in such campaigns. Indeed, the Wales Coast Path (and Anglesey Coastal Path) is actively promoted on the Change4Life [website](#) as means of improving health and wellbeing by participating in regular exercise.

### **Anglesey Health Alliance**

The Anglesey Health Alliance aims to improve the health and quality of life of Anglesey's population. The Anglesey Health Alliance is led by the Council in order to take corporate responsibility for cohesion of its own services and drawing upon the contributions of the NHS and others including community and school nursing services, local drug and alcohol teams, community regeneration partnerships, local county voluntary councils and members of local crime prevention/community safety schemes, in support of coherent and comprehensive programmes of health improving activity. The Anglesey Health Alliance should facilitate local multidisciplinary working across all public health functions. The PRow network can contribute towards meeting some of the Health Alliance objectives.

The Alliance is funded by the Welsh Government and includes representatives from:

- Several Departments within the Council
- Medrwn Môn
- Anglesey Local Health Board
- North West Wales NHS Trust
- Anglesey Community Health Council
- The Legal Services Commission
- North Wales Fire and Rescue Service

The Council will endeavour to increase promotion of the health and wellbeing benefits of Anglesey's PRow network. A better quality, more accessible and better connected PRow, along with a strengthened partnership and collaboration between the Council and relevant institutions and organisations will contribute towards a more active, healthier and equal society.

### **3.3.4 Addressing the Lack of Bridleways on Anglesey**

In 2004 the Isle of Anglesey County Council produced a [Bridleways Strategy](#). The purpose of this strategy was to provide an overview of the current state of the bridleway network on Anglesey and to provide a basis for a systematic approach to improving bridleway and horse riding provision throughout the island, in accordance with Isle of Anglesey County Council objectives.

The implementation of this strategy sought to:

- In the medium term, the development and implementation of three circular bridleway routes by 2006; and,
- In the long term, the development of an island-wide network of riding routes.

Three distinct areas of work were identified that need to be undertaken if a network of riding routes is to be established. These were:

- Historical Research
- A Quiet Roads project, and
- The Creation of New Routes

Due to lack of resources, little progress has been achieved in meeting the aims and objectives of the Strategy on improving the provision for horse riders on Anglesey.

There has been a modest increase in the proportion of the PRow network that equestrians can use since the first RoWIP was published. The length of Bridleways, Restricted Byways and Byways Open to All Traffic recorded on the DMS has risen from **6.6 KM** in 2004 to **15.3 KM** in 2018. This increase was mostly a consequence of DMMO's done on the basis of historical research and one creation agreement.

The objectives of the 2004 strategy remain relevant and important and are reflected in the new Statement of Action.

### **3.3.5 Communicating PRow and access information**

The way people access information about Anglesey's PRow network and wider access opportunities has improved considerably since publication of Anglesey's first ROWIP. Modern technologies and online solutions have been key to achieving this. Since 2012, one of the major ways access information is provided to the public is through an interactive online mapping system at <https://publicrightsofway.anglesey.gov.uk/web/standardmap.aspx> This facility allows the public to view PRow and cycle track alignments on up to date Ordnance Survey mapping, obtain route numbers and status, view the types of structures on each route (stiles, gates, bridges, etc.) and also view mapped Access Land.

In February 2018, the Council's interactive website was upgraded to be more compatible with smartphones and tablets (including a GPS facility). It also added a printing from template facility, and introduced a means for the public to report issues encountered on Anglesey's PRow network (including viewing and updating information on existing issues recorded in the database).

If feasible, the Council will endeavour to develop the online interactive site further in the future to include information on promoted routes, other linear access types (permissive routes, unsurfaced county roads), and information on route accessibility and 'easy access routes'. By adding additional layers of information on factors such as surface types, gradients and widths will allow less-able users to identify suitable routes for them to use.

In addition to further development of the interactive mapping website it is considered that there is a need to further improve available textual information relating to PRow on our website. The subjects identified are:

Subject	Issue
PRow policies	These need to be collected together, published online and regularly updated



Application forms and guidance notes for Public Path Orders, Definitive Map Modification Orders, Temporary Closure Orders	They are not currently available online but are emailed on request. Making them available online would benefit all.
Registers of Definitive Map Modification Order applications, applications for Public Path Orders, depositions under s31(6) HA 1980	It is a statutory requirement to publish these registers online, but Anglesey's have not been updated for about 7 years

## **4. Statement of Action**

### **4.1 Overview**

The Statement of Action outlines the Council's broad strategic commitments towards meeting the needs and developing opportunities identified within the assessments. RoWIP guidance suggests that only sufficiently long term and strategic goals should be included which are unlikely to become obsolete in the 10-year term of the ROWIP.

Shorter term or medium-term commitments need to be included in Delivery Plans which will be an annex to the ROWIP (see 4.3 below).

### **4.2 The Statement of Action**

No	Action	Aims and objectives
SoA1	Improve PRow Management systems	<ul style="list-style-type: none"> <li>Establish a hierarchy of routes so that our resources can be targeted where they are most likely to meet the public's needs.</li> <li>Prioritise Definitive Map Modification Order cases according to revised policy</li> <li>Increase the number and improve the way we deal with prosecutions for obstruction/ unlawful interference</li> <li>Improving path strimming arrangements by reviewing the</li> </ul>

No	Action	Aims and objectives
		<p>current system with Town and Community Councils</p> <ul style="list-style-type: none"> <li>• Encourage local communities and volunteers to get involved in routine maintenance and management of paths</li> </ul>
SoA2	Improve condition of PRow and wider access network	<ul style="list-style-type: none"> <li>• Increase the proportion of the network which is easy to use</li> <li>• Improve accessibility of Access Land by improving route connections thereto and improving 'access points' where necessary</li> </ul>
SoA3	Improve opportunities for equestrian access	<ul style="list-style-type: none"> <li>• Increase length of bridleways, restricted byways and BOATS on the DM&amp;S as a proportion of the whole PRow network</li> <li>• Establish equestrian circular routes</li> </ul>
SoA4	Continue to support development of Anglesey Coastal Path	<ul style="list-style-type: none"> <li>• Carry out continuous improvements so that trail meets Wales Coast Path standards</li> <li>• Where feasible, reduce on-road sections and provide a more 'coastal' route</li> </ul>
SoA5	Improve dissemination of information about Anglesey's PRow and its wider access Network.	<ul style="list-style-type: none"> <li>• Further development of the Council's interactive mapping system to include promoted routes, circular routes, unsurfaced county roads, permissive routes and easy access routes.</li> <li>• Improve other information on website including publication of PRow policies, various application</li> </ul>

No	Action	Aims and objectives
		forms and statutory registers (required under CRow Act 2000).
SoA6	Implement Active Travel (Wales) Act 2013 and sustainable transport objectives	<ul style="list-style-type: none"> <li>● Carry out improvements to PRow in the 7 designated areas of Anglesey identified on Integrated Routes Map in order to meet these objectives.</li> <li>● Promote Anglesey's PRow network as a viable means of sustainable transport to reduce dependency on private motorised forms of transport and promote environmental benefits.</li> </ul>
SoA7	Provide more 'Easy Access Routes' to assist less-able users and strategically improve and promote the PRow network to provide health and wellbeing benefits to members of the public.	<ul style="list-style-type: none"> <li>● To assist people with mobility problems</li> <li>● To identify, prioritise, and strategically plan for improvements to the PRow network that will improve the health and wellbeing of Anglesey's residents.</li> <li>● Promote the health and wellbeing benefits of Anglesey's PRow network.</li> </ul>

### **4.3 Arrangements for Delivery Plans**

Delivery Plans must contain these components:

1. An evaluation of progress in delivering the ROWIP and previous action plans (not applicable for the 1st Delivery Plan of ROWIP2)
2. A review of policies for the management of PRow.

3. SMART (Specific, Measurable, Agreed, Realistic, Time based) work plans identifying and setting out the component tasks required to deliver the main aims of the Statement of Action for the better management and improvement of the network over the delivery period.

The first Delivery Plan can be found at Annex 3 and covers the period 2018/19 - 2021/22.

It is intended that Delivery Plans are reviewed and renewed at intervals of 3 to 4 years, in consultation with the Anglesey Local Access Forum. It is proposed to report to the LAF on progress at yearly intervals. The ROWIP and Delivery Plans will be published on the Council website.

## Annex 1 – List of Consultees

- Town and Community Councils
- Isle of Anglesey County Council Elected Members (Councillors)
- Anglesey Local Access Forum Members
- Natural Resources Wales
- Ynys Môn Ramblers
- The British Horse Society
- Open Spaces Society
- The Byways and Bridleways Trust
- Cycling UK
- Sustrans Cymru
- National Trust
- Farmers' Union of Wales (FUW)
- Country Land and Business Association (CLA)
- Taran
- North Wales Advice and Advocacy
- NFU Cymru
- NFU Mutual
- British Mountaineering Council (BMC)

## Annex 2: Evaluation of Delivery of previous RoWIP and RoWIP grant expenditure

### Progress on the ROWIP1 Statement of Action 2008-2018

Ref	Action	Target date	Progress as at February 2018
M1	Process of prioritisation of paths to be undertaken through on-going consultation with informed stakeholders. Maintenance of these rights of way to then take priority over lesser used paths	2012	A few community council areas have been considered by a sub-group of the LAF. Path links were assigned a priori ranking of "Highest priority", "Medium Priority", "Low Priority" or "Little or no utility". 559 of 2948 path links (19%) were graded. The process was not completed due to the high workload involved.
M2	Maintenance of public rights of way to reach an interim figure of 65% of all paths open and accessible by 2012.	2012	<p>2005/06 – 46.9% of PRow were classed as 'easy to use'</p> <p>2006/07 – 53.1% of PRow were classed as 'easy to use'</p> <p>2007/08 – 47.0% of PRow were classed as 'easy to use'</p> <p>2008/09 - 54.8% of PRow were classed as 'easy to use'</p> <p>2009/10 – 51.3% of PRow were classed as 'easy to use'</p> <p>2010/11 – 58.7% of PRow were classed as 'easy to use'</p> <p>2011/12 – 58.7% of PRow were classed as 'easy to use'</p> <p>2012/13 – 66.2% of PRow were classed as 'easy to use'</p> <p>2013/14, 2014-15, 2015-16- no surveys undertaken</p> <p>2017 calendar year – 62.8% of PRow were classed as 'easy to use'</p> <p>Although the 65% target by 2012 was not achieved there has been an appreciable improvement in the percentage of paths passing the ease of use test.</p>
M3	Ongoing maintenance to be continued along the remainder of the public rights of way network	Continuous	This is being done but action point is not measurable
M4	New standards to be implemented in relation to footpath furniture and its installation	Continuous	British Standard BS 5709:2001 'Gaps, gates and stiles —Specification' is followed in most cases. Producing a standards document with set-up dimensions and construction/ installation instructions for the most common types of structures would also be beneficial
M5	Inspections to be undertaken upon completion of all path works to ensure the standards have been adhered to by all contractors.	Continuous	This is being done in all cases
M6	Initiate a study as to the potential effectiveness of funding landowners/tenants directly to undertake management and upkeep of paths on their land.	2009	Not actioned
M7	'By All Reasonable Means' guidance should be taken into account when undertaking all path works, and whenever possible paths should be made as easy to use as possible.	Continuous	Guidance currently not followed in all cases and staff training on the subject needs to be arranged.
M8	General inspections to rise from 5% random sample per annum to 7.5-10% per annum	Continuous	7.5% random sample inspection of RoW undertaken annually between 2008/09 and 2012/13. After this, it was no longer mandatory to submit an annual RoW Performance Indicator figure to Welsh Government. Because of this, and staff cuts in the RoW Section, it is now not possible to undertake an annual sample inspection.

Ref	Action	Target date	Progress as at February 2018
M9	Installation of path management software	2009	'Countryside Access Management System' (CAMS) software was installed in 2009 and is available to all RoW staff. A version of the same software running on tablet computers used in the field was also purchased in 2014.
I1	The coastal path's development into a nationally important trail to be given priority and sufficient funding and staffing to be made available to reach this goal.	Continuous	Provisional funding secured up to 2022 as part of the Wales Coast Path project. A Wales Coastal Path Regional Officer (North) employed by NRW started in April 2017 and the post is secure until at least 2022.
I2	Improvement work to be carried out on the entire length of the Two Lighthouses Walk, with easy access provision taking priority.	2018	Some improvements carried out with ROWIP grant in 2008/09 but further work is required, especially in terms of easy access provision.
I3	Improvement and promotion of 10 new circular walks linking the coastal path to historical, cultural, geological and ecological interest. These should wherever possible link into centres of population.	2018	5 new Heritage Walks established in SW Anglesey in 2009 (Dwynwen, Llewod, Maelog, Menai, Rhosyr). Also Archaeological themed walk established in Brynsiencyn/ Llangaffo in 2010
I4	Creation of 3 new circular off road horse riding routes centring upon areas already popular with horse riding, and with the infrastructure in place to enable a sustainable product.	2012	Not actioned
I5	Undertake a scoping exercise to ascertain potential new off road cycling routes. This should as a prerequisite include potential for use of cycle routes by horses.	2009	Not actioned
I6	Council will work to provide more accessible easy access routes especially in and around centres of population. Lowest Welsh Index of Multiple Deprivation (WIMD) areas to be targeted as priority.	2018	WIMD not yet targeted. Lowest WMID wards are :- Tudur, Maeshyfryd (Llangefni) Morawelon, London Road, Holyhead Town, Porthyfelin, Kingsland (Holyhead) Amlwch Port Bryngwran,
BE1	Build partnerships with conservation organisations, thus creating an environment of consistent and mutually beneficial thinking.	Continuous	Partnerships already exist but could be developed further
BE2	The council will become a proactive member of groups developing the link between access and conservation i.e. Heathland Strategy and Landscape Scale Projects	Continuous	This is happening
BE3	All new literature and interpretation to give a strong message both about Countryside Code and environmental awareness.	Continuous	This is being done
BE4	Standards to be adhered to with regard to use of sustainable path furniture, and a greater emphasis to be placed on aesthetics of works undertaken.	Continuous	Standards not yet documented. Could be written in conjunction with action point M4.
BE5	Initiate a study as to the potential to develop a coastal habitat improvement project, where the coastal zone is	2009	Study not initiated however the Anglesey Grazing Animals Partnership (AGAP) was established in 2008. AGAP is a local grazing scheme working to link land of wildlife and

Ref	Action	Target date	Progress as at February 2018
	looked at alongside access with regard to improving habitats		conservation interest with graziers and farmers who can supply suitable grazing stock for the benefit of the wildlife, the landscape and the cultural heritage of Ynys Môn. It has introduced and supported grazing on 16 sites (many of these are coastal) across Anglesey totalling over 300 hectares.
BE6	Produce a Travel Plan for travel within the AONB centring upon the use of the Coastal Path – Travel Plan to assess creating a viable sustainable transport system within the AONB	2009	Not actioned
DM1	Completion of work already commenced to refine and validate the digitised definitive map. This dataset will be the basis of the new consolidated definitive map	2009	Completed in 2009
DM2	To consolidate the Definitive Map & Statement	2009	Completed in 2012
DM3	To investigate the feasibility of contracting out historical research work to reduce the backlog of definitive map orders	2009	Several consultants approached for prices in 2009. Conclusion that it is not economic to contract out research work.
H1	ROW Unit to actively liaise with health groups, thus creating an environment where each lead partner is aware of developments and desires.	Continuous	Not being done at present however Leisure Department has active links with health groups
H2	Investigate ways in which assistance can be given to those members of the community who cannot access the countryside to appreciate the health and social benefits and enjoyment the rights of way network can bring.	2018	Not actioned
H3	Development of an 'Urban Walks' programme centring on LSOA (Lower Layer Super Output Area) urban areas and their hinterland to be undertaken. Links to Gwynedd CC Urban Walks in Bangor area	2012	'Step out' programme (part of 'Walking the Way to Health' initiative) is currently operating in, Llangefni, Amlwch, Valley, Gaerwen, Llanfairpwll, Brynsiencyn, Benllech, Holyhead, Llangoed/ Beaumaris, Rhosneigr.
P1	Resource and promote the Isle of Anglesey Coastal Path to attract new locals and visitors, thus allowing the path to reach its potential both as a National Trail, and with regard to its economic, social, and health benefits	Continuous	Provisional funding secured up to 2022 as part of the Wales Coast Path project. A Wales Coastal Path Regional Officer (North) employed by NRW started in April 2017 and the post is secure until at least 2022.
P2	Promote current and future circular / linear routes through local press, walking magazines, and the internet, thus expanding the potential for Anglesey being recognised as a walking destination by a wider market than currently seen	2018	Circular routes are currently promoted on <a href="http://www.visitanglesey.co.uk">www.visitanglesey.co.uk</a> Promoted routes can also be shown on interactive map in future (see P5)
P3	Actively support community groups and other organisations to produce information on routes in and	Continuous	Many leaflets already created by Menter Môn with input by the Council, e.g. Menter Mechell (3 walks), Llanfairpwll, Pentre Berw (2 walks), Menai Bridge (2 walks),



Ref	Action	Target date	Progress as at February 2018
	around their towns and villages		Caergeiliog (Madam Wen trail).
P4	Department to take an active role in promoting walking, cycling and horse riding and their associated routes within the council, and to lobby departments involved in tourism to promote routes as a priority with regard to future publications and advertising	Continuous	This is being done but perhaps could be done on a more active basis.
P5	Department to complete and continually update 'Complete Access Map' service which is to be available on-line, and indicates where access is available including all access land, permissive access and nature reserves as well as the rights of way network. This is to be continually updated to indicate if paths are open and usable or at the time impassable.	2010	Interactive map showing public rights of way and access land published at <a href="http://publicrightsofway.anglesey.gov.uk/">http://publicrightsofway.anglesey.gov.uk/</a> since 2011. Website upgraded February 2018 so that it is compatible with smartphones and tablets, also to have more features such as print templates, facility for public to record issues.

## ROWIP Grant Expenditure since 2008

Year	Action	Grant spend per action	Grant Offer	Claimed	Underspend
2008/9	Improvement of the "Two Lighthouses walk"	£16,932.00			
	Improvement of x13 Saint Walks	£17,310.67			
		<b>£34,242.67</b>	<b>£42,028.00</b>	<b>£34,242.67</b>	<b>£7,785.33</b>
2009/10	Opening 17 KM PRoW	£18,405.57			
	Llyn Coron paths improvement/ reinstatement	£5,593.49			
	Pont Mari Powell - new footbridge	£21,670.93			
		<b>£45,669.99</b>	<b>£45,670.00</b>	<b>£45,669.99</b>	<b>£0.01</b>
2010/11	Reinstating 5 KM PRoW at Mechell	£3,435.15			
	Reinstating 5 KM PRoW at Cors Goch	£21,936.84			
	Reinstating 8 KM PRoW at Pentre Berw	£1,232.50			
	Lon y Mynydd (Pentraeth) - reinstatement	£4,232.00			
	PRoW Roadside signage	£4,228.65			
	Lon Goed, Llangaffo- improvements	£2,649.44			
	FP19 Rhosmeirch - reinstatement & drainage	£2,240.00			
	Llyn Maelog - surface improvements	£1,100.00			
	FP24 Pentraeth - surfacing	£4,327.05			
		<b>£45,381.63</b>	<b>£45,670.00</b>	<b>£45,381.63</b>	<b>£288.37</b>
2011/12	CAMS Web work	£12,111.83			
	Purchase of hardware/ software for surveys	£7,317.45			
	PRoW Roadside signage	£7,370.60			
	Wygr Valley, Cemaes- footbridges	£12,876.00			
	Llandegfan path improvements	£3,800.00			
		<b>£43,475.88</b>	<b>£43,702.00</b>	<b>£43,475.88</b>	<b>£226.12</b>
2012/13	100KM PRoW survey	£6,736.50			
	CAMS Web & custom reports	£7,716.78			
	Path 16 Pentre Berw- Footbridge	£6,033.47			

	FP5 Porthaethwy - drainage & surfacing	£6,300.00			
	Surfacing of Lon Copr, Penysarn	£1,912.25			
	Materials for boardwalk- FP2 Cors Bodeilio	£10,318.00			
	Fps 13 & 14 Beaumaris - surfacing	£4,685.00			
		<b>£43,702.00</b>	<b>£43,702.00</b>	<b>£43,702.00</b>	<b>£0.00</b>
2013/14	FP28 Llangristiolus - erection of footbridge	£3,251.94			
	Purchase of gates for volunteer work	£6,549.00			
	Bridleway 39 Llanddona - drainage & surfacing	£8,859.18			
	FP18 Llandegfan - drainage	£5,031.98			
	PROW Roadside signage	£5,072.90			
	Production of custom report in Cams	£1,088.00			
	FP65 Marianglas - reinstatement	£1,020.00			
	Improvement work on Saints Walks	£1,860.00			
		<b>£32,733.00</b>	<b>£32,733.00</b>	<b>£32,733.00</b>	<b>£0.00</b>
2014/15	FP28 Llangristiolus - erection of footbridge	£5,220.21			
	FP9 Rhoscolyn - drainage & surface improvement	£3,685.00			
	FP84 Cylch y Garn - surfacing	£2,220.00			
	FP33 Llanfihangel Esceifiog - 2 footbridges	£2,680.00			
	Purchase of gates for volunteer work	£9,030.69			
	FP 57 & 59 Amlwch - surfacing & drainage	£1,440.00			
	PROW Roadside signage	£3,128.30			
	FP12 Valley - diversion & path reinstatement	£4,652.80			
	FP 3 & 4 Moelfre - clearance & drainage	£1,528.00			
		<b>£33,585.00</b>	<b>£33,585.00</b>	<b>£33,585.00</b>	<b>£0.00</b>
2015/16	FP17 Llanidan - footbridge	£12,000.00			
	FP 1 & 2 Llanfachraeth - surfacing	£8,000.00			
	FP14 Holyhead - surfacing	£8,385.00			
	FP 17 Llanfairpwll/ 16 Porthaethwy - tree thinning & siding	£5,200.00			
		<b>£33,585.00</b>	<b>£33,585.00</b>	<b>£33,585.00</b>	<b>£0.00</b>

2016/17	FP5 Llanddyfnan - erection of footbridge	£17,212.32			
	FP59 Llangristiolus - erection of footbridge & gates	£2,760.80			
	FP19 Llangoed - surfacing & ditching	£3,510.00			
	FP30 Trearddur - construct replacement flight of	£1,650.00			
	PROW Roadside signage	£2,165.41			
	FP28 Llangristiolus - erection of footbridge	£6,286.47			
		<b>£33,585.00</b>	<b>£33,585.00</b>	<b>£33,585.00</b>	<b>£0.00</b>
2017/18					
	FP27 Llanddyfnan - erection of footbridge	£14,100.47			
	Upgrade of Cams web software	£2,987.44			
	Undertake gradient analysis of PROW	£588.00			
	Purchase of materials for volunteer work	£8,373.60			
	Coed Cynol, Porthaethwy - replacement steps & walkway	£6,467.09			
		<b>£32,517.00</b>	<b>£32,517.00</b>	<b>£32,517.00</b>	<b>£0.00</b>
		<b>Totals 2000/9 - present</b>	<b>£386,777.00</b>	<b>£345,960.17</b>	<b>£8,299.83</b>

<b>ROWIP Grant Expenditure since 2008</b>					
<b>Year</b>	<b>Action</b>	<b>Grant spend per action</b>	<b>Grant Offer</b>	<b>Claimed</b>	<b>Underspend</b>
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	FP9 Rhoscolyn - drainage & surface improvement	£3,685.00			
	FP84 Cylch y Garn - surfacing	£2,220.00			
	FP33 Llanfihangel Esceifiog - 2 footbridges	£2,680.00			
	Purchase of gates for volunteer work	£9,030.69			
	FP 57 & 59 Amlwch - surfacing & drainage	£1,440.00			
	PROW Roadside signage	£3,128.30			
	FP12 Valley - diversion & path reinstatement	£4,652.80			
	FP 3 & 4 Moelfre - clearance & drainage	£1,528.00			
		<b>£33,585.00</b>	<b>£33,585.00</b>	<b>£33,585.00</b>	<b>£0.00</b>
2015/16	FP17 Llanidan - footbridge	£12,000.00			
	FP 1 & 2 Llanfachraeth - surfacing	£8,000.00			
	FP14 Holyhead - surfacing	£8,385.00			
	FP 17 Llanfairpwll/ 16 Porthaethwy - tree thinning &	£5,200.00			
		<b>£33,585.00</b>	<b>£33,585.00</b>	<b>£33,585.00</b>	<b>£0.00</b>

2016/17	FP5 Llanddyfnan - erection of footbridge	£17,212.32			
	FP59 Llangristiolus - erection of footbridge & gates	£2,760.80			
	FP19 Llangoed - surfacing & ditching	£3,510.00			
	FP30 Trearddur - construct replacement flight of ste	£1,650.00			
	PROW Roadside signage	£2,165.41			
	FP28 Llangristiolus - erection of footbridge	£6,286.47			
		<b>£33,585.00</b>	<b>£33,585.00</b>	<b>£33,585.00</b>	<b>£0.00</b>
2017/18					
(Provisional)	FP27 Llanddyfnan - erection of footbridge	£9,000.00			
	Upgrade of Cams web software	£2,482.00			
	Undertake gradient analysis of PROW	£588.00			
	Purchase of materials for volunteer work	£11,000.00			
	PROW Roadside signage	£2,447.00			
	Coed Cynol, Porthaethwy - replacement steps & wa	£7,000.00			
		<b>£32,517.00</b>	<b>£32,517.00</b>		
		<b>Totals 2000/9 - present</b>	<b>£386,777.00</b>	<b>£345,960.17</b>	<b>£8,299.83</b>

## Annex 3 - Delivery Plan For 2018/19 - 2021/22

### 1. A review of policies for the management of PRow

PRow policies on the management of rights of way have been reviewed, updated and published on our [website](#)

### 2. Work Plans

No	Output description	Measuring, monitoring and reporting on progress	Resources required and availability	Who will deliver and key partners	Relates to Statement of Action objective(s) number	Timetable
1	Establish a hierarchy of routes so that resources can be targeted at where they are most likely to meet the public's needs	LAF to receive yearly update	Approximately 10 weeks of PRow officer time plus budget of £4K	PRow officer with assistance from external Geographical Information System (GIS) contractor. LAF, user groups, community councils and Destination Anglesey Partnership to be consulted	SoA1	Draft hierarchy produced by the end of 2019/20.  Final hierarchy by mid-2020/21
2	Prioritise Definitive Map Modification cases in accordance with revised policy	LAF to receive yearly update	Approximately 4 weeks of Definitive Map Officer time and 1 week of PRow officer time	DM Officer PRow Officer	SoA1	By June 2019
3	Review routine path strimming arrangements with Community Councils with a view to improve the	LAF to receive end of year update	Approximately 4 weeks of PRow Officer time	PRow Officer, Community & Town Councils	SoA1 SoA2	By end of 2021/22



No	Output description	Measuring, monitoring and reporting on progress	Resources required and availability	Who will deliver and key partners	Relates to Statement of Action objective(s) number	Timetable
	service					
4	Review of arrangements for prosecution of landowners/ occupiers for wilful obstruction of PRow and public nuisance	LAF to receive end of year update	Approximately 1 week of PRow Officer time and 2 days of Legal Services Section time	PRow Officer, Senior Management (Highways), Head of Legal Services, Denbighshire Council Legal Services	SoA1	By end of 2018/19
5	Establish 1 circular bridleway route after consultation with equestrians and landowners/ occupiers	LAF to receive end of year update	Approximately 4 weeks of PRow Officer time. Budget of £5K, possibly from Partneriaeth Tirlun Ynys Cybi Project	PRow Officer, BHS, landowners/ occupiers, Partneriaeth Tirlun Ynys Cybi Project Officer	SoA3	By end of 2021/22
6	Process Definitive Map Modification Orders to record 6 unsurfaced Unclassified County Roads on DMS	LAF to receive end of year update	Approximately 12 weeks of DM Officer time	Definitive Map Officer	SoA3	By end of 2021/22
7	Carry out assessment to establish areas where the Anglesey Coast Path could provide a more 'coastal' route.	LAF to receive end of year updates	Approximately 4 weeks of Coastal Path Officer time	Coastal Path Officer / NRW Regional Officer	SoA4	By end of 2019/20
8	Remove 10 stiles on the	LAF to receive	Approximately 4	Coastal Path Officer /		By December 2020

No	Output description	Measuring, monitoring and reporting on progress	Resources required and availability	Who will deliver and key partners	Relates to Statement of Action objective(s) number	Timetable
	Coastal Path route and provide gap, gate or kissing-gate in their place	yearly update	weeks of Coastal Path Officer & Technician time Budget of £6k from annual maintenance budget	Coastal Path Technician	SoA2 SoA4 SoA7	
9	Improvement and promotion of 10 routes linking the Coastal Path to sites of interest and/or centres of population with easy access provision where suitable	LAF to receive yearly update	Approximately 6 weeks of Coastal Path Officer time and budget of £10k from annual maintenance budget	Coastal Path Officer. Consultation with IaCC Destination function	SoA4 SoA7	By end of 2019/20
10	Improve PRoW information on IACC website by adding: <ul style="list-style-type: none"> <li>Registers of Definitive Map Modification Order (DMMO) applications</li> <li>Register of Public Path Order (PPO) applications</li> <li>Register of depositions under S31(6) Highways Act 1980</li> <li>Downloadable guidance and application forms for</li> </ul>	LAF to receive end of year updates	Approximately 4 weeks of Definitive Map Officer time and 3 weeks of PROW officer time	DM Officer PRoW Officer Council IT Section	SoA5	By end of 2019/20

No	Output description	Measuring, monitoring and reporting on progress	Resources required and availability	Who will deliver and key partners	Relates to Statement of Action objective(s) number	Timetable
	DMMO & PPO applications, application for temporary path closure/diversion					
11	<p>Active Travel (Wales) Act 2013 objectives:</p> <ul style="list-style-type: none"> <li>• Integrated Network Map (INM) to be resubmitted to Welsh Government</li> <li>• Review and audit PRow on Active Travel INM</li> </ul>	LAF to receive end of year updates	Approximately 3 weeks of PRow Officer time. Approximately 4 weeks of Active Travel Officer Time Budget of £10K	Active Travel Officer PRow Officer External consultant	SoA6	August 2018  By end of 2019/20



# Public Rights of Way Management Policies

January 2018

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**Acronyms used within the Document:**

<b>Acronym</b>	<b>Definition</b>
PRoW	Public Rights of Way
RoWIP	Rights of Way Improvement Plan
DMS	Definitive Map and Statement
HA 1980	Highways Act 1980
CRoW Act 2000	Countryside and Rights of Way Act 2000
NPACA 1949	National Parks and Access to the Countryside Act 1949
WCA 1981	Wildlife and Countryside Act 1981
TCPA 1990	Town and Country Planning Act 1990
EA 2010	Equality Act 2010
AA 1971	Animals Act 1971
HSWA 1974	Health and Safety at Work Act 1974
RTRA 1984	Road Traffic Regulation Act 1984
RTA 1988	Road Traffic Act 1988
BOATs	Byways Open to All Traffic
CA 1968	Countryside Act 1968

## **1 Maintenance and Improvement of the PRow Network**

PRow maintenance responsibilities are divided between the Isle of Anglesey County Council and landowners/ occupiers on which a PRow crosses. PRow maintenance is undertaken by a combination of the Council's PRow Staff, external contractors, community councils and by volunteers.

**The Isle of Anglesey County Council's** main PRow maintenance responsibilities include:

- Surface maintenance.
- Signage and waymarking.
- In most cases, repair, replace, and construct bridges over natural watercourses, (there may be a shared maintenance responsibility where a bridge is also used by a landowner or occupier of land for private vehicular access).
- Provide a financial contribution towards the repair and replacement of PRow structures (such as gates and stiles).
- Clearance of seasonal surface vegetation growth (i.e. strimming contracts).
- Major clearance of overgrown routes and fallen trees (if responsibility falls on the Council itself, or if the Council feels that these works are necessary).
- Ensure that the PRow network is kept free from obstructions and undertake necessary enforcement action against those who 'wilfully' obstruct a PRow to promptly remove the obstruction(s).
- Consider the needs of all types of users, including less-able users (including those with mobility difficulties and sight impairments) and implement the Least Restrictive Access Policy.
- Implement Traffic Regulation Orders (TRO's) when required.

The **Landowner's/Occupier's** main PRow maintenance responsibilities include:

- Ensure that all stiles, gates and other boundary crossings are maintained to a safe and acceptable standard.
- Obtain official authorisation by the Council before erecting new structures such as stiles and gates on footpaths and bridleways.
- Cut back encroaching vegetation such as hedges, overhanging vegetation, and fallen trees that are growing or have fallen onto PRow from their land.
- Ensure that they do not wilfully obstruct the PRow crossing their land and the route is kept free from obstructions.
- Reinstate ploughed cross field footpaths and bridleways to the statutory widths and time limits, and under no circumstance plough footpaths or bridleways that are enclosed and/or running along a field edge.
- Ensure that the definitive line of a route (on the ground) is kept clear of crops (other than grass) and are maintained to the statutory minimum widths always.
- Ensure that any animal known to have dangerous characteristics is not kept on land crossed by a PRow
- Ensure that no misleading or intimidating signs are placed on or near a PRow that may deter users.

## **1.1 Signposting and Waymarking**

Under **Section 27** of the **CA 1968**, the Isle of Anglesey County Council has a duty to signpost all PRow where they leave a metalled road. The Council can be relieved of this obligation at certain locations if it considers a sign to be unnecessary and if a representative of the local Town/Community Council agrees.

Section 27 of the CA1968, also requires waymarkers to be placed at points along a route where it is considered necessary to help people to navigate a route. The Council has a general power to erect and maintain signposts/waymarkers along PRow, where considered necessary.

<b>Type of PRow</b>	<b>Correct Colour of Waymarker</b>
Footpaths	Yellow
Bridleways	Blue
Restricted Byways	Plum
BOATs	Red

In the following circumstances higher than usual levels of signposting and/or waymarking may be appropriate:

- The Isle of Anglesey Coastal Path has specific standards of signing and waymarking.
- Other promoted routes.
- The Isle of Anglesey County Council will consider requests for bespoke signing or waymarking for certain routes.

### **Unauthorised and/or Misleading Signs and Notices**

Under **Section 57** of the **NPACA 1949** and **Section 132** of the **HA 1980**, it is an offence (without lawful authority) for any person to paint, inscribe or affix any picture, letter, sign or any other mark on or near a PRow that contains false and/or misleading information that is likely to deter the users of PRow. The Isle of Anglesey County Council has the power to request the removal of such signs and notices. Failure to comply, the Council may take direct action against the person in question through various enforcement action procedures (*Page 8*).

## **1.2 Bridges**

Most bridges over natural water courses and forming part of the PRow network are provided, owned and maintained by the Council. Under **Section 91** of the **HA 1980** the Council has powers to construct a bridge to carry a highway (including PRow) maintainable at public expense. Additionally, **Section 92** of the **HA 1980** provides the Council with power to reconstruct a bridge forming part of the PRow network either at the same site, or at a new site within **200 yards** of the original location. Where a privately maintainable bridge carries a PRow, the Council, will at its discretion contribute towards the cost of any justifiable repair or replacement. Contributions to the cost would not usually exceed **5%** for a footpath and **10%** for a bridleway. Bridges which carry a restricted byway or BOAT would normally be



maintained by the Council to ensure that these bridges are safe and suitable for the types of traffic expected to use them (i.e. bicycles, motorised vehicles).

### **1.3 Boundary structures (Gaps, Gates, Stiles and Accessibility)**

**Section 146** of the **HA 1980** places a duty on landowners/occupiers to ensure that every stile, gate (or other similar structures) along a footpath, bridleway, or restricted byway is maintained in a safe condition and in a good state of repair to prevent “unreasonable interference” to those using a footpath, bridleway and restricted byway.

The Council’s duty only extends to ensuring that the landowner complies with this obligation and to provide a grant of **25%** towards the cost of repairing or replacing such structures. The Council has a discretionary power to extend this grant and will, under normal circumstances, provide the materials at no cost to the landowner in lieu of a 25% contribution.

In instances when an existing item of furniture is due for replacement, or when a new item of furniture is being installed, the Council, will endeavour to implement the ‘Least Restrictive Access Policy’ with regard to furniture, whereby:

1. A **gap** is the most favourable option of furniture, as it is the least restrictive type.
2. Where a gap is not a plausible option, a **field** or **pedestrian gate** will then be considered. (On a bridleway a gate is the only alternative to a gap, and the latches must be possible to operate from horseback).
3. If a field or pedestrian gate is not a possible option, then the Council will aim to install a **kissing gate**.
4. If installing a kissing gate is not possible, and all the other options have been considered, a **stile** will be installed. A **stile** is the least favoured option by the Council as it is the most restrictive type of furniture. A stile will only be installed if all the other types of furniture (discussed above) are not possible or practical to be installed. Generally, a stile will not be permitted to be installed when a new section of PRow is being created.

Some aspects which will be considered when applying the Least Restrictive Access Policy:

- Requirements of landowners (such as stock proofing),
- Local distinctiveness and historical significance of some structures, such as a historical stone stiles or bespoke pedestrian/kissing gates.

#### **The needs of people with mobility issues and other disabilities (less-able users)**

**Section 69** of **CRoW 2000** introduced new **Section 147ZA** to the **HA 1980** providing the Council with powers to enter into agreements with landowners or occupiers of land to undertake work and/or replace structures/furniture present on footpaths and bridleways, with a less restrictive types to make it more convenient for less-able users. Where Section 147ZA agreements are made, the Council will usually conduct the work at no expense to the landowner.

The **EA 2010** places a duty on the Council to consider the needs of those with mobility difficulties/visual impairments (less-able users). The requirements outlined within the EA 2010 are particularly relevant when managing and authorising structures on the PRow network. The type of furniture/structure on the PRow network can be a significant barrier

detering certain people from using the network. For example, a stile can be a significant obstacle for those who have mobility difficulties and a stile or a kissing gate can be a major obstacle for those who are dependent on a wheelchair. The Council will endeavour to make reasonable adjustments and pursue current best practise to reduce physical barriers on the PRow Network.

#### **1.4 Managing PRow Surfaces**

As a Highway Authority, the Isle of Anglesey County Council, under **Section 41** of the **HA 1980**, has a duty to maintain highways maintainable at public expense. Consequently, the Council has a duty to maintain the surfaces of most PRow. The standard of maintenance required by law will depend upon the type of highway and the kind of traffic normally expected to use it. There are no statutory surfacing standards of PRow. However, the Council has a statutory duty to ensure that the surfaces of PRow are maintained, so that they are safe and suitable for public use.

The Council's powers extend further to improve PRow surfaces as specified within the Welsh Government Document: 'Guidance for Local Authorities on Public Rights of Way' (2016). The types of improvements to the surfaces the Council undertake include:

- Levelling
- Metalling
- Planting and levelling out verges
- Improve drainage
- Replace fords or stepping stones with bridges
- Carrying out works or placing structures for the purposes of enhancing amenity or providing a public service

**Section 62** of the **HA 1980** gives the Council "general power of improvement" in order to improve the surfaces of PRow. Improvements made by the Council to PRow surfaces, especially metalling and levelling, also contributes to meeting requirements outlined within the **CRoW 2000** and the **EA 2010**, by making the network more accessible and easier to use.

#### **Maintenance of PRow Surfaces where there is shared public/private use**

On Anglesey, a substantial proportion of the PRow network is coexistent with accommodation lanes to private properties (such as farms), that often have private vehicular rights (rights of access). In order to manage this issue, the Council has adopted a policy whereby if a public footpath or bridleway is maintainable at public expense and is in coexistence with a route that have private vehicular rights, the Council may consider making a contribution towards the costs of maintenance of the surface of such routes to the extent required for the acceptable standard required for the PRow. The contribution sum may vary occasionally according to circumstances. However, the contribution from the Council will not normally exceed **10%** of the cost. Normally, the landowners or occupiers will be expected to arrange the maintenance work themselves and request a financial contribution from the Council thereafter.

### **1.4 Tree and Vegetation Management**

**Section 294** of the HA 1980 allows the Council to apply to the Magistrates Court for an order authorising entry to examine premises to determine whether any hedge, tree or shrub is dead, diseased, damaged or insecurely rooted, that could pose a risk to users of PRoW network.

**Section 154** of the HA 1980 relates to the management of hedges, trees or shrubs in relation to highways. Section 154(1) and (4) concerns the cutting back of trees or overhanging branches. Section 154(1) enables the Council to require landowners or occupiers whose trees, shrubs or hedges affecting the highway network (including PRoW) by causing danger, obstruction, or interfere with the passage of vehicles, pedestrians or horse riders, to lop or cut the encroaching vegetation to remove the cause of danger, obstruction and/or interference.

The Council may serve a notice on landowners or occupiers, giving them a maximum of **14 days** to cut or remove the encroaching vegetation. If the landowner or occupier of land fails to comply with the terms outlined within the 14-day notice period, the Council has the power and authority to conduct the work itself (as required by the notice). The Council may also recover the cost reasonably incurred of conducting the works from the landowner or occupier (person in default).

If the landowner or occupier is aggrieved by the requirement under subsection (1) or (2) of Section 154 of the HA 1980 (as discussed above) and disagrees with the conditions outlined within the notice served by the Council may make an appeal to the Magistrates Court.

Additionally, **Section 65** of the **CRoW 2000** extends Section 154 of the HA 1980 further, by requiring overhanging vegetation that is endangering or obstructing the use and passage of equestrians on carriageways and bridleways to be cut back to an acceptable height.

### **Fallen Trees**

If a PRoW is obstructed by a fallen tree, responsibility for its removal/clearance depends on where the tree is rooted. In the case of a tree rooted within the highway boundary (a "highway tree") the Council will clear the obstruction as soon as reasonably practical. Where a tree has fallen on to the highway (PRoW) from adjoining land, the Council has power to serve notice on the owner of the tree, pursuant to **Section 149** of the **HA 1980**. If the tree is not cleared within the time specified in the notice, the Council may make a complaint to the Magistrates Court for a removal and Disposal Order under this section. If the Council considers that the tree is dangerous to users of the route and has reasonable grounds for considering that the tree ought to be removed without the delay involved in giving notice or obtaining a removal and disposal order from a Magistrates' Court under this section, it may remove the tree forthwith. The Council may recover any expenses reasonably incurred by the authority in removing it from the owner of the tree.

## **2 Protecting the Network: Management of Obstructions and Enforcement**

Under Section 130 of the HA 1980, the Council has a duty to ensure that PRoW are kept free from obstructions. Managing obstructions on Anglesey's PRoW network is a major challenge for the Council.

**Section 137** of the HA 1980 states that:

*“If a person without lawful authority or excuse, in any way wilfully obstructs the free passage along a highway he is guilty of an offence and liable to a fine...”*

Examples of the types of obstructions encountered on the PRow network include:

- Fences, electric fences, barbed wire, walls, and hedges placed across a PRow,
- Encroaching vegetation (side or overhanging vegetation growth),
- Deposited materials causing an obstruction,
- Building(s) constructed on the definitive line of a PRow,
- Padlocked gates,
- Intimidation (from other PRow users and/or landowners or occupiers),
- Intimidating/misleading signs and notices,
- Dangerous animals,
- Ploughing/disturbance of PRow surfaces that do not comply with the Council's ploughing policies (*Page 10*).
- Crops growing on or encroaching onto the definitive line of PRow (*Page 10*).
- Structures that have been placed on PRow's, that have not been officially authorised by the Council under Section 147 of the HA 1980.

### **Enforcement Action to Remove Obstructions**

When the Council is aware of an obstruction, it will aim to follow a fair and robust process to remove it, as effectively and efficiently as possible. Multiple sections of legislation, mainly the HA 1980, provides the Council with considerable powers to remove obstructions.

Usually, the first protocol the Council will undertake to secure removal of an obstruction (depending on severity and extent), is to consult verbally and/or send a letter to the landowner/occupier, explaining the offence and requesting removal. Depending the nature and extent of the obstruction, a period of **7 – 28 days** is usually given for removal.

After the timeframe for removing the obstruction has been reached/exceeded a staff member from the Council's Highways Department will inspect the site to determine whether the obstruction has been removed. If the obstruction has been fully removed, thus resolving the issue, the Council will take no further action.

However, if the initial action has failed to resolve the obstruction the Council will take enforcement action to remove the obstruction. At this stage the Council will serve an **enforcement notice** requiring the offender to remove the obstruction within a specified statutory time limit (usually within 1 month). If the offender has not removed the obstruction within the statutory timeframe, the Council have the power under the HA 1980 (i.e. Section 143), to undertake direct action by removing the obstruction itself and recover the costs incurred from the offender.

In some cases, the Council will consider that it is more appropriate to deal with an obstruction by means of **prosecution** in the Magistrates Court. If a person/company is found guilty of an offence the Court can issue a fine and/or order the offender to remove the obstruction. The Council has adopted a Prosecutions Working Practice document which guides decisions on court proceedings (*see Appendix*).

Where the obstruction is substantial (such as a building/ dwelling) situated on the definitive line of a PRow, it is often very costly and impractical to remove. Alternatively, a

landowner/occupier may (by their own accord) to apply for diverting the obstructed PRow by means of a Public Path Order (*page 17*).

## **Specific types of nuisance or obstruction**

### **2.1 Ploughing**

Footpaths and bridleways running along a field edge, or that are enclosed, are not permitted to be ploughed under any circumstance. Additionally, restricted byways and BOATs are not permitted to be ploughed under any circumstance. However, landowners or occupiers, under **Section 134** of the HA 1980 are permitted to plough (disturb) the surface the land if a footpath or bridleway runs **across** a field. The surface must be reinstated within the 'statutory time limits', which is **14 days** beginning from when the surface is first disturbed, and then **24 hours** for any subsequent disturbances to the surface. After the path/way has been reinstated it must be convenient to use and restored to the minimum width requirements outlined within **Schedule 12A** of the HA 1980, which are:

Type of PRow	Statutory Minimum Widths (metres)
Footpath (Cross-field)	1.0
Bridleway (Cross-field)	2.0
Footpath (Field-edge/headland)	1.5
Bridleway (Field-edge/headland)	3.0
Restricted byways and BOATs	3.0

Landowners or occupiers are committing an offence if they fail to reinstate the surface of the PRow by the statutory timeframes. Where such an offence is known to the Council, action will be undertaken to reinstate the path/way to a reasonable standard, by serving an enforcement notice which allows the Council to undertake work itself after the notice period elapses and recover the costs incurred from the landowner or occupier. In addition, prosecution in the Magistrates Court is an option, especially in the case of repeated offending.

### **2.2 Cropping**

As specified in **Section 137A** of the HA 1980, if a crop (other than grass) that has been sown or planted on land crossed by a PRow, the landowner or occupier responsible has a duty to ensure that it causes no inconvenience to users of the PRow. They must ensure that the definitive line of the route is kept clear of crops and maintained to the statutory minimum widths set out in **Schedule 12A** of the HA 1980.

Type of PRow	Statutory Minimum Widths (metres)
Footpath (Cross-field)	1.0
Bridleway (Cross-field)	2.0
Footpath (Field-edge/headland)	1.5
Bridleway (Field-edge/headland)	3.0
Restricted byways and BOATs	3.0

Landowners or occupiers are committing an offence if they fail to keep PRow clear of crops. Where such an offence is known to the Council action will be undertaken to clear the path/way by serving an enforcement notice which allows the Council to undertake work itself after the notice period elapses and recover the costs incurred from the landowner or occupier. In addition, prosecution in the Magistrates Court is an option, especially in the case of repeated offending.

### **2.3 Electric Fences**

Electric fencing is increasingly being used by landowners and occupiers, consequently electric fencing is increasingly being used near or across PRow. Given the potential for electric fencing to affect ease of use of a PRow, and possibly endanger the users of the network, the Council has adopted the following policies to manage electric fencing.

#### **Electric fencing placed across a PRow**

- An electric fence erected across a PRow unlawfully and without a safe means of crossing it is an offence, and an obstruction. It could pose a significant risk of an electric shock to users of the PRow. In such instances the Council will undertake enforcement action to remove the obstruction.
- The Council **will not** permit an electric fence to be erected across bridleways, restricted byways and BOATs under any circumstance, and is an offence if a person does so.
- If an electric fence is needed across a footpath on a **permanent basis** the Council will allow it if there is existing authority to maintain a gate or stile at the point in question. The electric fence should be appropriately insulated adjacent the gate/ stile so that for PRow users can pass without risk of harm.
- If a landowner/occupier wishes to install an electric fence on a permanent basis where there is no existing authority for a stile/ gate, they must apply to the Council for the new structure to be authorised under Section 147 of the HA 1980 *(Page 16)*
- On a **temporary basis**, and only for agricultural purposes, the Council will allow landowners/occupiers to erect a **single strand** of electric fencing across a footpath. However, the Council will require landowners/occupiers to take adhere to these requirements:
  - ✓ To notify the Council well in advance.
  - ✓ Agreement is reached on a specific and reasonable timeframe for when electric fencing is required. The landowner/occupier must ensure that the electric fence is removed by the agreed deadline, otherwise it would constitute an obstruction to the PRow.
  - ✓ For the duration of when the temporary electric fencing is in place, the landowner/occupier must take all the necessary precautions to ensure that the electric fence is safe to cross without difficulty or harm to users.
  - ✓ At the point where the electric fence crosses a footpath there must be a means of breaking the current, (by means of an expandable barrier gate with an insulated handle which can be safely released and placed back)
  - ✓ Hazard warning signs should be clearly visible at the point of crossing, to notify users of the footpath that the fence is electrified.

If a landowner or occupier fails to comply with this policy the Council will consider the electric fence as an obstruction and will take the appropriate enforcement action to remove it.

### Electric fencing placed alongside a PRow

Usually, the Council will allow landowners/occupiers to place an electric fence alongside a PRow. However, they must comply with the following policy:

- Consideration must be given to public safety always.
- Electric fences running alongside a footpath must be placed at a minimum of **2 metres** away from the edge of the path.
- Electric fences running alongside every other type of PRow must be placed at a minimum of **4 metres** away from the edge.
- An electric fence placed alongside a PRow must be adequately signed with hazard warning signs, at sufficient intervals, clearly notifying the user that the fence is electrified.

Consideration should be given by landowners/occupiers to the potential risk an electrified fence placed alongside a PRow may pose to certain users. For example, it could pose a significant amount of danger to a horse rider if a horse was to touch an electric fence, as it could cause the horse to jolt and unseat a horse rider, possibly resulting in a significant injury.

Landowners/occupiers should be aware that if any user of the PRow network is harmed by an electric fence placed on their land, they are liable for any harm caused. Therefore, it is important that they adhere to the Council's policy and guidance on electric fencing always, to reduce the risks posed.

## **2.4 Animals**

If an animal causes injury to a user of a PRow, then it is the owner of the animal that is held responsible and is liable for any damages caused by that animal, as specified within the **AA 1971**. If a person who owns an animal which they know has dangerous tendencies and the likelihood of causing injury, should avoid keeping the animal whereby PRow users can meet it. Should an incident occur and if a person is injured by an animal then its owner could be prosecuted under the **HSWA 1974** and could be sued for damages under the AA 1971.

In cases where Council is alerted to such incidents involving an animal, it may contact the appropriate landowner/occupier to remind them of liabilities, and where practically possible to agree on measures to reduce the risk of PRow users being injured by animals in the future.

### ***Cattle and Bulls***

Bulls must not be kept 'at large' in a field crossed by a PRow and would constitute an offence under **Section 59** of the WCA 1981. However, there are exceptions to this rule being that:

- The bull does not exceed the age of 10 months,

- The bull is not of a recognised dairy breed (Ayrshire, British Friesian, British Holstein, Dairy Shorthorn, Guernsey, Jersey and Kerry)
- Is accompanied by cows or heifers.

### **Dogs**

If a dog does not intimidate users of the PRoW and poses no threat, a dog is permitted to be kept where a PRoW crosses (e.g a yard).

However, if a dog prevents the free use of a PRoW, by behaving in a threatening and aggressive manner (growling and exposing teeth) and frighten and intimidate users, this makes it a public nuisance under common law and is an offence and an obstruction to the PRoW.

People are permitted to take their dogs with them when using the PRoW network. However, there is no statutory duty placed on the Council or landowners/occupiers to make specific provisions for dog walkers. When users exercise their dogs on PRoW's they should act responsibly, including:

- Keeping dogs on a lead or under close control (always),
- Ensure that their dog does not wander off the definitive line of the path/way (as this could be classed as trespassing),
- Cleaning up dog mess.

For more information, seek the advice contained within the Countryside Code: <https://naturalresources.wales/media/1369/the-countryside-code.pdf> and within the 'Dog Walking Code': <http://naturalresources.wales/media/4862/the-dog-walking-code.pdf>

### **Horses**

People keeping horses in fields where there is a PRoW crossing should ensure that the horse does not endanger, cause harm or intimate users, and should have due regard for Section 2 of the AA 1971.

With regards to horse riders, it is an offence for a horse to be ridden on a public footpath and would be considered as trespass against the landowner (unless prior permission is granted by the landowner). Horses and are only permitted to be ridden on bridleways, restricted byways, and BOATs.

## **3 Definitive Map Modification Orders (DMMO's)**

As a Surveying Authority, the Isle of Anglesey County Council is responsible for the management of the DMS. The Council has a statutory duty under **Section 53** of the **WCA 1981** to keep the legal record of Anglesey's PRoW (DMS) up-to-date and under **continuous review**. Section 53 requires the Council to modify the DMS by the means of DMMO's where PRoW's are shown to be incorrect or incomplete. It is also the duty of the Council to make this information available to the public, and a working copy the DMS is available for viewing at the Isle of Anglesey County Council Offices in Llangefni. An electronic Definitive Map is



available on the Council's website:

<https://publicrightsofway.anglesey.gov.uk/standardmap.aspx>

### Processing DMMO's

To keep the DMS under continuous review, changes to them are made through a legal process known as DMMO. These Orders are made if the DMS is proven to be incorrect or incomplete. DMMO's may be initiated by the Council itself, or through an external application to the Council. This application can be made by an individual or an organisation by presenting evidence to show there is an error or omission in the legal record. The most important aspect of a DMMO application is the necessity of strong and convincing factual **evidence**. There are two main types of evidence which applicants should seek to include when making an application:

- Evidence of **use** (User Evidence)
- **Documentary** evidence (such as historical maps and records).

The Council may occasionally make DMMOs that are not resultant of a DMMO application, itself, to correct errors that have been identified within the DMS.

Within 28 days of the receipt of a valid application, the Council will record it in its CAMS (Countryside Access Management System) software. The Council is required to keep and maintain a public register of DMMO applications (Section 53B of the WCA 1981). The public register will be published on the County Council's website.

The Council's **Definitive Map Officer** will:

- Process the DMMO applications in various stages,
- Consider the evidence provided and, in most cases, conduct further research.
- Reach a decision and determine whether an order is to be made or not.

If the Order is made by the Council, it will be publicised and published in a local newspaper and notices will be displayed on-site. The landowner(s)/occupier(s) affected by the Order, and the relevant Town/Community Councils will be served a copy of the Order. There will be a minimum period of **6 weeks (42 days)** for any representations or an objection to be made. If the Order receives no representations or objections within the 6-week period, then the Order will be confirmed by the Council.

However, if representations are received the Council will analyse the representations given and will contact the person(s) in question to clarify their stance for the Council to determine whether it is an objection or not. If the representations provided are not objections, then the Order will be confirmed by the Council. However, if an objection has been received within the 6-week period then the matter will be referred to the **Planning Inspectorate**, where an inspector will consider whether to confirm, amend or refuse the Order.

Where the Council decides there is insufficient evidence to support making a DMMO the applicant has a right of appeal to the decision to the Planning Inspectorate. An appeal must be made within 28 days of the date on the decision letter, or 12 months after submission of the application the council hasn't made a decision.

Processing these applications will be conducted in accordance with the most recent guidance provided by the Welsh Government, within the document: '**Guidance for Local Authorities on Public Rights of Way' (October 2016)**.

#### The Council's DMMO Prioritisation Policy

From the time the Council has received a DMMO application it should be processed and determined within a timeframe of **12 months**. However, due to the complexity of researching some applications, and with limited staffing resources there is currently a large backlog of DMMO applications to be processed. In attempt to overcome this issue, the Council has created a **prioritisation** policy of to make the best use of limited staffing resources.

Applications (both new and those yet to be processed) will be prioritised (ranked) according to the criteria set out below to make the best use of limited Council resources and to provide the greatest improvement to Anglesey's PRow network.

<b>Criterion</b>	<b>Summary</b>
Secretary of State's direction	Applicable following successful appeal to the Secretary of State under Sch. 14 S.3(2) to the Wildlife and Countryside Act 1981
Early determination required	Where the position/status is required to be ascertained prior to legal action taking place or for any other valid Council reason that requires the determination being expedited
Obstructed route	Whether a route is obstructed, either recently or long-term
Alternative route	Whether there is an alternative route and whether this is suitable and safe for the relevant class of users
Development threat	Whether a route is threatened with imminent or likely development
User Evidence	Whether there is a risk of loss of key witnesses or whether evidence is accessible documentary evidence
Connectivity	Whether the route is a critical connection, new path or provides a duplicate path or no enhancement
Level of use	Whether use is frequent by many people or infrequent by few people
Changes on ground	Whether there is a change of route/new route, removal of structures/obstructions or no physical change on the ground
(For deletions / downgradings only)	Would remove a well-used/critical route or where a route has valid security/privacy considerations or would remove a route over arable farmland

Each criterion is weighted with a bias towards the enhancement and development of the public rights of way network. This bias applies **only** to the order in which applications are processed: each application will be impartially determined on the evidence available at the time of determination.

Once an application is accepted as being "duly made" it will be assigned a file reference and ranked. The ranked application will be added to the list of pending applications held within the public Section 53B Register. Changes in circumstances of applications and the submission of new applications may change rankings thus promoting or demoting existing applications.

The Council will process duly made applications in order of the ranked priority at the time the case is started. Cases started before the onset of the new prioritisation scheme will continue to be processed in parallel with ranked applications.

#### **4 Authorisation of limitations/ conditions and their recording**

A physical limitation or condition is a structure affecting use of a route such as a gate or stile located across the route. All boundary crossing structures (i.e. gates, kissing-gates, stiles) which existed when the route was dedicated as a PRoW are lawful. All structures which existed when Anglesey's First DMS was published (1958) are deemed to be lawful since this is our baseline. Additionally, in relation to routes created by user post-1958, structures which existed during the use period (normally a 20-year period) are lawful.

There is no complete record of historical structures on Anglesey. In a few cases the Definitive Statements published in 1958 refers to structures and, where this occurs, it provides conclusive evidence of the legality of a structure. 4 out of 60 Parish Survey maps prepared between 1951-1954 have detailed annotations recording lawful structures and this provides useful and strong evidence of the legality of a structure.

There are approximately 5500 boundary crossing structures recorded in the rights of way database and it is impractical to go through them individually to determine lawfulness. Where a structure is suspected of being unlawful the Council will examine historical maps (and possibly old aerial photographs) to determine if a structure is lawful. The database is then updated on a case by case basis. Where an unlawful structure is found the Council will ask the landowner/ tenant to seek retrospective consent for it (see below) or remove it.

New structures installed on footpaths and bridleways must be officially authorised by the Council under **Section 147 of the HA 1980**. This section allows landowners/ occupiers to apply to erect a new gate or stile on a footpath or bridleway provided that the land is being used for agriculture, and that for this agriculture to be carried on efficiently, a structure is needed to control the ingress and egress of animals. Agricultural land includes land that is being brought into use for agriculture, nurseries, land used for grazing and for forestry. This also includes land for the breeding and keeping of horses

The Council provides guidance notes and an application form relating to Section 147. When a licence has been granted for installation of a new structure, the new structure is recorded in the PRoW database along with a copy of the licence.

**Section 66** of the **HA 1980** provides the Council with powers to provide and maintain barriers, rails and/or fences on the PRoW network, for the purposes of safety for users. Furthermore, under **Section 115B** of the **HA 1980** the Council has the power to place structures on, in, or over a highway (including PRoW) for the purposes of enhancing the amenity of a highway, its immediate surroundings or providing a service for the benefit of the public.

Some examples of these types of structures include:

- Benches
- Bollards
- Bins
- Information Panels
- Handrails

Any barrier installed by the Council pursuant to s66 will be recorded in the rights of way database.

## **5 Public Path Orders (PPO's)**

The Council has powers to alter PRoW's recorded on the DMS, through various legal procedures, referred to as **PPOs**. The making of a PPO is a **discretionary power** as opposed to a statutory duty. PPOs have the effect of **diverting, extinguishing and creating** footpaths, bridleways and restricted byways under various sections of the **HA 1980 and TCPA 1990**. The HA 1980 also allows the Council to make applications to the Magistrates Court to alter BOATs.

<b>Types of PPO</b>	<b>Legislation</b>
<p><b>Diversion:</b> Before making the Order, the Council needs to be satisfied that the diversion of a footpath, bridleway or restricted byway is in the interests of the landowner/occupier (crossed by a PRoW) or of the public. For the PPO to be confirmed the Council (or Secretary of State) must be satisfied that the diversion is not substantially less convenient to the public a result of the diversion and regard is given to the effect of the diversion on public enjoyment of the path as a whole. Also, regard must be given to the effect on the land crossed by the existing path and to be crossed by the new one.</p>	HA 1980; Section 119
<p><b>Extinguishment:</b> Before making such an Order the Council needs to be satisfied that the footpath, bridleway or restricted byway concerned is no longer required for public use. This type of PPO occurs on a very <b>infrequent</b> basis, as they are generally not supported by the Council. They often prove very problematic to confirm, given the difficulty to justify whether a PRoW is currently or in the future no longer required for public use.</p>	HA 1980; Section 118
<p><b>Create: (Creation Agreement)</b> The Council may enter into an agreement for the <b>dedication</b> of a footpath, bridleway or restricted byway. The Council will require anyone dedicating a new path or way by means of a creation agreement to demonstrate that they have the authority to do so, usually by means of supplying proof of ownership of the land in question. A monetary payment may be given to a landowner if an agreement is formed.</p>	HA 1980; Section 25
<p><b>Create: (Creation Order)</b> The Council can make these Orders where it appears that a footpath, bridleway, or restricted byway is required for public use. These Orders are made if the Council feels that it would benefit a substantial section of the public. A financial contribution is usually payable to the landowner.</p>	HA 1980; Section 26

<p><b>Diversion/ Closure:</b> If a footpath, bridleway or restricted byway is affected by development (which has planning consent) and needs to be diverted or extinguished to allow the development to take place an order may be made. It is important for developers not to assume that a PPO will certainly be confirmed because of planning permission being granted.</p> <p>Where the line of the right of way is to be built over or the land over which the right of way runs is otherwise so directly required for operational or implementation purposes, an order will usually be made. In other cases, all material facts will need to be taken into consideration and the Council will endeavour to give the word “necessary” its ordinary and natural meaning (viz: needful or requisite). The important factor is that the closure or diversion must be required to enable the development authorised by the planning permission to be carried out. This need will be balanced against highway considerations such as convenience, safety, type and scale of user in deciding whether to make or confirm the relevant order.</p> <p>A guidance document published by IOACC, “<b>Development and Public Rights of Way</b>” is available to developers</p>	TCPA 1990; Section 257
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#### Making a PPO application

PPO guidance and application forms are currently available upon request from the Council. Details of fees are included in the relevant guidance.

#### Processing and confirming PPOs

When processing PPOs the Council will do so in accordance to the guidance provided by the Welsh Government, in the document: ‘**Guidance for Local Authorities on Public Rights of Way**’- October 2016.

PPO applications and proposals will be prioritised based on 7 principles:

- Where public safety could be substantially improved.
- Where an application has been made pursuant to the Town & Country Planning Act 1990 to enable a development to proceed.
- Where the proposal is presently included in a council plan or strategy, e.g. a ROWIP action or Wales Coast Path proposal.
- Where the processing of an order would save the significant costs in other Rights of Way functions.
- According to level of use.
- Where the processing of an order could result in a significant positive impact on the network.
- In order of date of receipt.

## **6 Traffic Regulation Orders (TRO's)**

The **RTRA 1984** gives power to the Council to impose Traffic Regulation Orders (TRO's). Particularly relevant sections of this Act are **Sections 1, 14** and **16**. TRO's may be **permanent, temporary, or experimental**, and may be used to control any type of traffic on any type of highway including all types of PRow. Temporary TRO's can be implemented for a period of up to 6 months.

Before closing a PRow by means of a TRO, the Council will explore the practicality of implementing all other available options before fully implementing the TRO.

One of these possible alternatives would be to implement a system of **Voluntary Restraint (VR)**, if for example it becomes evident that a PRow is at risk of, or currently suffering damage because of the type of traffic using it ('traffic' also refer to pedestrians and equestrians). VR allows a more flexible approach to be adopted, as it may be implemented as an experiment to seek whether the issues can be resolved without enforcing a full TRO. One drawback of VR is the fact it has no legal force and relies on users of the PRow to act responsibly. However, a VR could, for example, target types of users and/or at specified times of the year when certain types of users and/or weather/seasons are known to cause certain issues.

The Council will implement a temporary or a permanent TRO to close/restrict a PRow:

- If the safety of other PRow users is evidently at risk, and if a PRow has become dangerous to use (i.e. failure of a structure, the underlying or supporting ground has become unstable or there has been damage caused to the surface).
- If the extent (or likelihood) of physical damage to the PRow is significant, a TRO is considered necessary to prevent the issue from occurring and re-occurring, and to prevent further damage.
- If a **temporary** TRO is necessary to allow maintenance works on PRow's, (such as surface repairs) to be conducted.
- If a **temporary** TRO is necessary to prevent danger to persons using a PRow for reasons not associated with the route surface or structures (e.g. a dangerous building alongside)

## **7 Authorising Events on PRow**

User organisations sometimes wish to hold events on PRow's, such as:

- Organised sponsored walks,
- Cross-country running challenges.

These types of events are generally permitted to be held on the PRow network if they do not have a detrimental impact on the network or on its users.

Promotion of or participation in a race or trial of speed between motor vehicles on any public highway is an offence (s12 RTA 1988). Promotion of or participation in a trial other than a race or trial of speed on a carriageway is an offence unless the trial is authorised by the Secretary of State under regulations. Promotion of or participation in a trial between motor vehicles on a footpath, bridleway or restricted byway is an offence unless the trial is

authorised by the highway authority and the consent of the owner obtained in writing (s33 RTA 1988). Even if authorised and (where required) the owner has given consent, an offence is still committed if the vehicle is driven without due care and attention or without reasonable consideration of other users.

This procedure must be followed for all events authorised under s33 RTA 1988:

- 1) The organiser must apply to the Council at least 2 months in advance including details event such as:
  - Type, nature, date and time of the event,
  - Map of the proposed route,
  - Estimated number of participants.
  
- 2) The Council will analyse the information provided by the event organisers and reach a decision. If the Council is satisfied by the information provided by the organisers, has no objections, and the landowner has granted permission, the event can be authorised by the Council (subject to conditions).
  
- 3) However, if concerns are raised, (i.e. parts of the PRow are unsuitable, may become damaged, or may pose dangers/conflicts with PRow users), the Council may require the proposed route of the event to be altered, otherwise authorisation will not be granted for the event to take place.

When an event is authorised, standard conditions must be adhered to:

- The Council will be indemnified by the organisers against any claims or damages that may arise in consequence in authorising the event,
- The event organiser must have their own public liability insurance,
- Any damage to the public highway (including PRow), as result of the event will be met or made good to the satisfaction of the Council at the expense of the organisers.
- Details of the intention to hold the event and the route, will be notified to the Chief Constable, North Wales Police, before the date on which the event is to be held.
- The organisers will be required to take appropriate steps to secure the safety, preserve the amenity and minimise inconvenience to members of the public because of the event.
- The event must be well marshalled especially at crossing points, and the event must be well signed to notify and protect other users of the PRow that are not participating in the event.

## **8 The Anglesey Local Access Forum (LAF)**

The Anglesey LAF is an advisory body and was established because of the requirements of **Section 94** of the **CRoW Act 2000**. As required by regulations, membership of Anglesey's LAF includes a diversity and balance of individuals with a range of different knowledge and interests. LAF members mainly consist of:

- Landowners,
- Farmers,
- Local business owners
- Members of relevant organisations (i.e. Ynys Mon Ramblers, British Horse Society, NFU, FUW, etc.)

A diverse group of members allows the Council to be advised on a wide spectrum of issues regarding public access to land and the PRoW network. LAF members are appointed for 3 years and are eligible for reappointment after each 3-year term.

Meetings take place at least 3 times a year.

The main aims of Anglesey's LAF are to:

- Provide advice and assistance to the Isle of Anglesey County Council on matters such as Anglesey's countryside, access to land and to make the PRoW network more accessible and enjoyable to people, for the purposes of open air recreation,
- Have a strategic role in focusing on issues specifically to Anglesey and adopting a proactive approach,
- Improve cooperation between the Council and other interested groups.
- Assist with matters regarding the creation of RoWIPs.

The Council will consider and, wherever possible, implement the views of the LAF when managing Anglesey's PRoW network and Access Land.



## **Appendix: Prosecutions Working Practice**

Isle of Anglesey County Council as highway authority has a duty to assert and protect the rights of the public to the use of any highway for which it is the highway authority. The Rights of Way Unit is responsible for ensuring that this duty is met in relation to the public rights of way within the County.

The Unit aims to carry out its duties in an equitable, practical and consistent manner. To achieve this the principles of the following have been adopted:

- The Crown Prosecution Service Code for Crown Prosecutors  
(Amended October 2000)
- Home Office guidelines on the cautioning of offenders
- The European Convention on Human Rights and the Human Rights Act 1998

Prior to any formal investigation the Unit will discuss general issues, specific compliance failures or problems with anyone experiencing difficulties in relation to public rights of way and advise as far as possible to assist with compliance.

The decision to prosecute represents a serious step and will only be taken once an investigation has been undertaken. Each case is unique and as far as the law allows the Unit will take account of the individual circumstances of each case and consider it on its own facts and merits.

The Investigating Officer, usually the Senior Engineer – Public Rights of Way, will provide the alleged offender with an opportunity to discuss the circumstances of the offence in a formal interview.

Once enquiries are completed the Investigating Officer will submit a case report to a senior manager, the Deciding Officer, who is independent of the investigation for a decision whether to institute legal proceedings. The Deciding Officer will be the Chief Engineer (Maintenance) or the Head of Service -Highways. Before deciding whether to institute legal proceedings consideration will be given by the Deciding Officer to the Crown Prosecution Service Code for Crown Prosecutors and other relevant codes.

The decision to institute proceedings will be taken in accordance with the County Council's current Constitution and officer's scheme of delegation and is subject to agreement by the Legal Services Manager.

The Deciding Officer will have to be satisfied there is sufficient evidence to provide a realistic prospect of conviction against each defendant on each charge, the "Evidential Test". A 'realistic prospect of conviction' requires that a bench of magistrates, properly directed in accordance with the law, is more likely than not to convict the defendant of the charge alleged. To this end the Deciding Officer will look at all the available evidence, reliability of witnesses, supporting documentation and any other matters relating to the investigation.

If the Evidential Test is satisfied the Deciding Officer will look at whether it is in the public interest to proceed with the prosecution, the "Public Interest Test". In deciding if the public interest is served by a prosecution the Deciding Officer will balance factors for and against the prosecution carefully, fairly and impartially. Some factors may increase the justification to prosecute whereas others may mitigate against such action.

If it is the decision of the Deciding Officer that a prosecution does not satisfy the Public Interest Test consideration should be given to administering a formal caution.

Below are some of the factors to be taken into consideration although this list is not exhaustive and, as such, each case is to be taken strictly on its own individual merits.

Factors in favour of prosecution:

- The alleged offender has been convicted, cautioned or subject to enforcement action on a previous occasion for a similar offence
- The alleged offender acted wilfully or negligently
- The outcome of a prosecution might serve an important informative purpose or establish a legal precedent
- There are grounds to believe that the offence is likely to be continued or repeated, for example by a history or recurring conduct
- The offence is not appropriate for resolution by other means of enforcement
- The alleged offender has refused to resolve the issue
- The alleged offender has been advised or warned on previous occasions in relation to this offence or similar matters which did not result in enforcement or court action
- The offence is of a serious nature
- The offence can only be addressed through the Magistrates Court

Factors that would mitigate prosecution:

- The offence was minor in nature and because of a general mistake or misunderstanding which did not involve significant harm to the public
- The age of the alleged offender, e.g. a youth at the time of the offence or elderly
- The alleged offender was at the time of the offence suffering from significant mental or physical ill-health which contributed to the commission of the offence and the offence was neither serious nor likely to be repeated
- The alleged offender resolved the issue prior to the intervention of an Investigating Officer
- There has been a long delay between the commission of the offence and any potential court action, unless either the:
  1. Offence is serious
  2. Delay has been caused by the defendant
  3. Offence has only recently come to light or
  4. Complexity of the offence meant that there has been a long investigation.