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CYNGOR SIR
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ISLE OF ANGLESEY
COUNTY COUNCIL

Dr Gwynne Jones.
Prif Weithredwr – Chief Executive

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RHYBUDD O GYFARFOD	NOTICE OF MEETING
PWYLLGOR GWAITH	THE EXECUTIVE
DYDD LLUN 17 MEDI 2018 10.00 o'r gloch	MONDAY 17 SEPTEMBER 2018 10.00 am
SIAMBR Y CYNGOR SWYDDFEYDD Y CYNGOR LLANGFNI	COUNCIL CHAMBER COUNCIL OFFICES LLANGFNI
Swyddog Pwyllgor	Ann Holmes 01248 752518 Committee Officer

AELODAU/MEMBERS

Plaid Cymru/Party of Wales

Llinos Medi Huws, Carwyn Jones, R Meirion Jones, Alun W Mummery, Robert G Parry, OBE, FRAGS, Robin Wyn Williams

Annibynnol/Independent

Richard Dew, Dafydd Rhys Thomas, Ieuan Williams

COPI ER GWYBODAETH / COPY FOR INFORMATION

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

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

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

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

A G E N D A

1 DECLARATION OF INTEREST

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

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

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

3 MINUTES (Pages 1 - 22)

To submit for confirmation, the draft minutes of the meetings of the Executive held on the following dates:-

- 16 July, 2018
- 18 July, 2018 (Extraordinary)

4 THE EXECUTIVE'S FORWARD WORK PROGRAMME (Pages 23 - 38)

To submit a report by the Head of Democratic Services.

5 CORPORATE SCORECARD - QUARTER 1, 2018/19 (Pages 39 - 58)

To submit a report by the Head of Profession, HR and Transformation.

6 MEDIUM TERM FINANCIAL PLAN 2019/20 - 2021/22 (Pages 59 - 76)

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

7 REVENUE BUDGET MONITORING REPORT - QUARTER 1, 2018/19 (Pages 77 - 108)

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

8 HRA BUDGET MONITORING, QUARTER 1, 2018/19 (Pages 109 - 114)

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

9 CAPITAL BUDGET MONITORING REPORT - QUARTER 1, 2018/19 (Pages 115 - 124)

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

10 ANNUAL TREASURY MANAGEMENT REVIEW FOR 2017/18 (Pages 125 - 142)

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

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11 CHILDREN AND FAMILIES SERVICES PROGRESS REPORT (Pages 143 - 152)

To submit a report by the Head of Children's Services.

12 PROTOCOL OF THE STATUTORY DIRECTOR OF SOCIAL SERVICES (Pages 153 - 178)

To submit a report by the Assistant Chief Executive (Governance and Business Process Transformation and Statutory Director of Social Services).

13 HEALTH AND SAFETY ANNUAL REPORT (Pages 179 - 198)

To submit a report by the Head of Regulation and Economic Development.

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THE EXECUTIVE

Minutes of the meeting held on 16 July, 2018

- PRESENT:** Councillor Llinos Medi Huws (Chair)
Councillor Ieuan Williams (Vice-Chair)
- Councillors Richard Dew, Carwyn Jones,
R. Meirion Jones, Alun Mummery, R.G. Parry, OBE, FRAGS ,
Dafydd Rhys Thomas, Robin Williams
- IN ATTENDANCE:** Chief Executive
Assistant Chief Executive (Governance and Business Process Transformation)
Assistant Chief Executive (Partnerships, Community & Service Improvement)
Head of Function (Resources) & Section 151 Officer
Head of Function (Council Business)/Monitoring Officer
Head of Housing Services (for item 8)
Head of Children and Families' Services (for item 9)
Head of Adults' Services (for item 9)
Head of Democratic Services (for item 6)
Principal Development Officer (TJ) (for item 12)
Committee Officer (ATH)
- APOLOGIES:** None
- ALSO PRESENT:** Councillors Lewis Davies, Aled M. Jones, Dylan Rees, Alun Roberts (from item 9 onwards), Nicola Roberts.
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1. DECLARATION OF INTEREST

No member of the Executive declared an interest.

Councillor Dylan Rees (not a Member of the Executive) declared a personal but not prejudicial interest with regard to item 12 on the agenda.

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

None to report.

3. MINUTES

The minutes of the previous meeting of the Executive held on 18 June, 2018 were presented for the Executive's confirmation.

It was resolved that the minutes of the previous meeting of the Executive held on the 18 June, 2018 be approved as correct.

4. MINUTES – CORPORATE PARENTING PANEL

The draft minutes of the meeting of the Corporate Parenting Panel held on 11 June, 2018 were presented for adoption by the Executive.

It was resolved that the draft minutes of the meeting of the Corporate Parenting Panel held on 11 June, 2018 be adopted.

5. SCHOOLS' MODERNISATION – LLANGEFNI AREA (YSGOL Y GRAIG AND YSGOL TALWRN)

The report of the Assistant Chief Executive (Partnerships, Community and Service Improvement) incorporating the report on the outcome of the statutory consultation on the modernisation of the primary education provision in the Llangefni area relating to Ysgol y Graig and Ysgol Talwrn was presented for the Executive's consideration. The statutory consultation process was conducted in the period from 1 May, to 18 June, 2018.

The Portfolio Member for Education, Libraries, Culture and Youth reported on the aims and objectives of the Schools' Modernisation Programme which involves evaluating the future of schools and the effects on stakeholders including children, parents, school staff and governors. He acknowledged that it can be a contentious matter and a challenging task for the Authority and is also an issue that causes concern for parents which is understandable. However, what is under consideration is the future of the Island's schools for the next 50 years; a schools' service that is wilting under the pressure of financial cuts; a maintenance backlog, the demands of the curriculum as well as a number of other issues. The Council has to give serious consideration to making the schools' system more effective so as to create an environment wherein both pupils and teachers can succeed, and also to making it more efficient so that resources are used effectively and all schools get a fair share of the budget. Although Ysgol Talwrn and Ysgol y Graig are under consideration at this meeting they cannot be considered in isolation; the issues affecting the two schools form part of a bigger picture encompassing the Island as a whole and the Education Service within it.

The Portfolio Member highlighted that the Education Service's budget makes up 40% of the Council's overall budget with the Education Service facing possible savings of £5.2m over the next 3 years. Education has been protected from the worst of the financial cuts in the past but that situation cannot continue - the schools' maintenance backlog cost is approximately £16m. Anglesey and other councils are labouring under the financial pressures resulting from the Westminster Government's continuing austerity agenda. The Authority's Schools' Modernisation Programme seeks to improve educational outcomes for children; to improve leadership standards and the quality of teaching and learning and also to ensure there are sector leading schools in each area. The drivers of change remain the same; these are listed in the report and a number of those drivers apply in this particular situation. The Portfolio Member referred to the role of the Elected Member in the schools' modernisation process requiring of them a duty to their individual communities but also a duty to consider the Island as a whole i.e. the wider corporate responsibilities that extend beyond a single area.

The Assistant Chief Executive referred to the main themes and issues raised by stakeholders at the two schools in responding to the consultation process and the Authority's response to those matters as set out in detail in section 9 of the report. Those issues can be summarised as follows –

- Although a number of stakeholders from Ysgol Talwrn mention the high education standards at the school, both Ysgol Talwrn's performance and that of Ysgol y Graig has varied over the past three years in the Foundation Phase with Ysgol Talwrn in the lower quartile more often than Ysgol y Graig. Whilst the performance of the two

schools in KS2 is similar what is significant is the number of pupils with an average of 7 in the cohort for Ysgol Talwrn and an average of 43 for Ysgol y Graig.

- Both schools have been inspected by Estyn recently with Ysgol Talwrn assessed as Excellent against one indicator, Good against 12 and Adequate against 2. Ysgol y Graig was judged to be Excellent against 4 indicators and Good against the remaining 11 indicators thereby giving Ysgol y Graig a stronger inspection profile than Ysgol Talwrn. Although both schools perform well in terms of expected levels, Ysgol y Graig is successful in attaining higher percentages for level 5+ which suggests it successfully stretches pupils well and meets levels higher than those for Anglesey and Wales.
- The cost per pupil for Ysgol Talwrn for 2017/18 at £4,447 is above both the average for Wales (£3,690) and the average for Anglesey (£3,972). It could be said that every place in Ysgol Talwrn costs £475 per pupil more and that the school therefore receives £22,325 additional finance. The spend per pupil for Ysgol y Graig at £3,395 is below the Welsh average and the Anglesey average. Additionally, the maintenance backlog cost at Ysgol Talwrn is £82.5k plus £250k for a new external mobile classroom based on the valuation provided by a professional valuer. For Ysgol y Graig, the maintenance backlog costs are £36.5k.
- In September, 2017 Ysgol Talwrn had 12% of surplus places, this is despite the fact that the percentage of pupils from outside the catchment area is relatively high at 45% making the surplus places position more vulnerable. At Ysgol y Graig surplus places were 1% in September, 2017.
- Some of the responses from Ysgol Talwrn make reference to the draft revised School Organisation Code which although it sets out a presumption against the closure of rural schools does not state that rural schools should not close. The Code makes it clear that there is a priority to provide high-quality education in small and rural schools and it recognises that education is the paramount consideration. Additionally, Ysgol Talwrn is not included in the list of rural primary schools in the draft revised Code. Notwithstanding the revised draft School Organisation Code is not at present legally binding, the Authority has sought to address its contents in this process.
- Comments were made with regard to the traffic situation at Ysgol y Graig being dangerous and the walking route to the school from the village of Talwrn being hazardous. The issue of small children having to travel by bus to Ysgol y Graig was also raised. Should the proposed scheme be approved, a traffic impact assessment will be undertaken and will include the walking journey to Ysgol y Graig. Additionally, if the proposal is realised, the children would not necessarily travel to school by bus and could travel by taxi. Children of 4 to 11 years of age already travel to school by bus elsewhere on the Island.
- The potential effect on the community of closing Ysgol Talwrn was a concern for a number of the school's stakeholders. Whilst it is accepted that this is a challenge, closing a school does not have to lead to the demise of a community – a new school can lead to the creation of a wider community and there are examples where the community continues to thrive in villages where the school has closed. Some respondents state that smaller schools are better at creating a sense of family and that they offer better opportunities for participation – there is no evidence to suggest that either statement is true.
- Closing Ysgol Talwrn would not necessarily lead to an increase in carbon emissions as has been claimed. Calculations show that even the use of 2 buses would not have a greater impact because 45% of pupils at Ysgol Talwrn currently travel to the school from outside the catchment area.
- As regards impact on the Welsh language, strengthening and safeguarding the Welsh language is a priority for the Authority. Any plan for a new school will be subject to the requirements of the language policy and it is the Authority's expectation that schools that are part of the modernisation programme continue to be Welsh speaking

community schools. At present, 60% of Ysgol Talwrn pupils speak Welsh compared to 78% at Ysgol y Graig meaning that it could be argued that closing Ysgol Talwrn and transferring the pupils to Ysgol y Graig would strengthen Welsh.

- Other options were presented and considered. These along with the Authority's response to them, are listed in section 4 of the report.
- Maintaining the two schools would require that the combined maintenance backlog costs of £369k are addressed with the potential for further costs as Ysgol Talwrn comes to the end of its useful life. Building an extension to Ysgol y Graig to replace Ysgol Talwrn would be more expensive but this additional cost would be partly offset by an increase in the Welsh Government's contribution and by the capital receipt from selling the Ysgol Talwrn site. The detailed results of the financial appraisal of the two options (i.e. doing nothing or implementing the recommendation of the report) are set out in the table in section 10 of the report.
- For the reasons stated, a summary of which is provided at section 12 of the report, it is recommended that the capacity of Ysgol y Graig be increased by implementing the 3 steps described in the report, and that Ysgol Talwrn be closed.

Councillor Aled M. Jones, Chair of the Corporate Scrutiny Committee reported from the Committee's meeting held on 5 July, 2018 which considered this matter. Councillor Aled M. Jones said that although the Committee did not reach a consensus on making a specific recommendation to the Executive, it did not accept the recommendation in the Officer's report and further, the Committee made recommendations for improving the reporting process in terms of clarifying and providing additional information.

Councillors Dylan Rees and Nicola Roberts spoke as Local Members. Councillor Dylan Rees explained why in his view, many of the drivers for change do not apply to Ysgol Talwrn in particular the need to reduce surplus places as the issue in Llangefni is a lack of places. He also said that the proposal is contrary to the Gwynedd and Anglesey Well-being Plan which refers to the need to maintain a healthy community spirit. Closing Ysgol Talwrn will not make this possible. Councillor Nicola Roberts highlighted the disparity between Ysgol Talwrn and Ysgol y Graig in relation to expenditure per pupil which is indicative of the unequal situation across Anglesey where larger primary schools are losing out financially to smaller, and in some cases, less effective schools. The Welsh Government's Cabinet Secretary for Education has said that school modernisation proposals must show the value behind each application. She emphasised that this now has to be the right solution for this part of Llangefni and she sought assurances in relation to the arrangements for staffing, the governing body, traffic and parking, nursery provision and integration within the two block model.

The Executive considered the report and the views of the Local Members and responded as follows –

- The Executive was agreed in supporting the vision for primary education provision on Anglesey which the Schools' Modernisation Programme embodies. The Executive noted that the programme's aims in seeking to improve the quality of learning and teaching conditions for pupils and staff, to increase equity and effectiveness in the education system and to provide for more efficient use of resources are to be commended. The Executive also noted that a number of primary schools on Anglesey including Ysgol Talwrn are housed in older, dated buildings which are not able to provide the learning and teaching environment expected of Twenty-First Century schools.
- The Executive noted that concerns have been raised about the long-term sustainability of communities following the closure of the village school. The Executive noted also that the closure of a school need not necessarily lead to the

decline of a community e.g. Llanddeusant where the village school closed some years ago.

- The Executive noted that 45% (19) of pupils at Ysgol Talwrn are from outside the catchment area making the surplus places situation more vulnerable.
- The Executive noted that parking and traffic are problematic issues in relation to Ysgol y Graig. The Executive sought assurance that were the recommended scheme to be approved, a traffic and parking impact assessment will be conducted to ensure that arrangements for parking and travelling provision in and around Ysgol y Graig and to and from the village of Talwrn are safe and adequate.

The Assistant Chief Executive confirmed that in the event the proposals are approved, a traffic impact assessment encompassing the traffic and parking situation around Ysgol y Graig as well as the walking route from Talwrn to Ysgol y Graig will be conducted. The Officer also said that the governing body of the extended Ysgol y Graig would need to reflect the community.

With regard to dealing with staffing matters, the Chief Executive confirmed that the Authority will be guided by advice provided by the Human Resources Services. The process for addressing staffing matters is set out in the statutory consultation document.

- The Executive noted that a lack of capacity is an issue in relation to schools in the Llangefni area. The Executive sought assurance that the recommended scheme allows for growth as a result of developments in the area.

The Assistant Chief Executive said that the JLDP refers to housing developments in the Llangefni area between 2011 and 2016. A number of those houses have already been built. The Officer confirmed that actual and planned developments have been taken into account in projecting pupil numbers in the Llangefni area in future and that this has been done using the Welsh Government formula.

- The Executive noted that implementing the recommended scheme is expected to generate financial savings and that in light of the challenging financial circumstances in which the Authority finds itself, financial considerations are an important factor in the School Modernisation Programme. The Executive noted further that from the calculations set out in section 10 of the report, the Do Nothing option appears on the face of it, to be more economical than the option whereby Ysgol y Graig is to be extended and Ysgol Talwrn closed. The Executive sought assurance that the recommended scheme will yield savings.

The Head of Function (Resources)/Section 151 Officer said that revenue savings are created as running one larger school is less costly in terms of building maintenance and energy; management costs are reduced (one Head teacher instead of two) and class sizes can be set to an optimum level which reduces teaching costs. The figure of £39,540 savings was reached by using an agreed formula to calculate the teaching staff and allocation per pupil at the new extended school based on the number of pupils currently at Ysgol y Graig plus pupils from Ysgol Talwrn. The formula also allows an element of funding for each school regardless of pupil numbers or staff; currently both Ysgol y Graig and Ysgol Talwrn receive this funding (around £8,000), whereas it would only be applied once in the case of the proposed new extended Ysgol y Graig. The proposed new extension will incur costs; the estimated costs linked to the new extension compared to the costs of the current Ysgol Talwrn have been factored into the £39k projected savings. Transport costs (£28k) have been estimated based on running two buses from Talwrn to Ysgol y Graig daily.

On the capital side, the Officer said that the Authority is expected to fund its share of the capital costs of the scheme – 50% - with Welsh Government contributing the other 50%. The Authority's contribution is made up of borrowing and the capital receipt from the sale of the Ysgol Talwrn site. The borrowing element would be funded over a 50 year period and include loan interest. Building an extension to Ysgol y Graig to replace Ysgol Talwrn is more expensive but will result in a brand new school building – this should be balanced against the as yet unknown costs of continuing to maintain Ysgol Talwrn as the building ages, as well as the known maintenance backlog costs at the school.

- The Executive noted that two new area schools have already been built, the one being Ysgol Cybi in Holyhead and the other, Ysgol Rhyd y Llan in Llanfaethlu. In light of the initial opposition to these schemes, the Executive sought clarification of the feedback from the two schools now they are up and running.

The Assistant Chief Executive said that comments from a discussion with seven children from the School Council at Ysgol Rhyd y Llan confirm that all seven are happy at the school for a variety of reasons from having more friends to participating in a range of activities. Six out of the seven travelled to school by bus and apart from comments about noise, they were satisfied with the arrangement. Similarly, there were no negative responses from those surveyed at Ysgol Cybi with many citing new experiences as a positive feature of the new school.

- The Executive noted that Welsh Government funding for the modernisation of schools comes from the Twenty First Century Schools' Programme with stakeholders e.g. local authorities expected to contribute 50% of the costs of the projects they apply for. The Executive sought clarification of whether Officers foresee a point in future wherein the Authority will not be able to contribute its share of funding to continue with the modernisation programme.

The Head of Function (Resources)/Section 151 Officer said that the opportunity to modernise and renew Anglesey's schools stock which the Twenty First-Century Schools Programme offers is too good to miss; the Authority must find the funding to complete the modernisation process which in providing for new and/or refurbished schools to replace what are in many instances, very old and not fit for purpose buildings, is a process worth doing. Additionally, the modernisation process in eliminating surplus places does also reduce costs. If pressure can be brought on Welsh Government to increase its contribution to projects under the programme then that would be welcome; nevertheless, it is unlikely that an opportunity such as this will present itself again, and if the Authority does not take advantage of it, then it will have to find the resources itself to modernise and build new schools in future.

- The Executive noted that ensuring that schools provide the highest possible standards of education is one of the most important responsibilities a Local Authority has; it is only reasonable therefore that authorities are provided with sufficient funding to be able to fulfil this responsibility. The Executive noted further that the financial pressures which the Authority is operating under are significant leading to hard choices and difficult decisions; these pressures are the result of austerity enforced by the Westminster Government.

The Portfolio Member for Education, Libraries, Culture and Youth summarised by saying that many of the Island's primary schools were built around 150 years ago when walking to school was the norm; they no longer meet the education needs of the

twenty-first century and are not always in the right place. The Authority has to organise its schools in accordance with circumstances. The Twenty-First Century Schools Programme provides an opportunity to put into effect a modernisation programme which the Authority might not otherwise be able to implement. The Portfolio Member said that it is accepted that closing a school is regrettable and is hard for the community thereby affected; nevertheless communities are sustained by people not buildings. Also, the Executive has a duty to consider the best interests of the Island as a whole. For these reasons, the Portfolio Member proposed that the recommendation of the report be approved and that Ysgol y Graig is extended to accommodate pupils from Ysgol Talwrn, and that Ysgol Talwrn is closed.

In supporting the proposal, the Executive emphasised that the new block for Ysgol y Graig must be integrated with the existing Ysgol y Graig building and that it should operate as one school.

It was resolved that the capacity of Ysgol y Graig be increased to accommodate pupils from Ysgol Talwrn, and that Ysgol Talwrn be closed.

This to be done by:

- **Using the existing building for Key Stage 2 i.e. years 3 to 6 and adapting it;**
- **Building a new “Block” for the Foundation Phase, namely Nursery, Reception, Years 1 and 2;**
- **Considering relocating the Flying Start provision within the Ysgol y Graig campus.**

The new “block” would be part of Ysgol y Graig and would not be a separate unit.

Elected Members noted that the new arrangement should operate as one school and not as two separate units

6. FORWARD WORK PROGRAMME

The report of the Head of Democratic Services incorporating the Executive’s Forward Work Programme for the period from August, 2018 to March, 2019 was presented for the Executive’s approval.

The Head of Democratic Services reported that there were three new items on the updated Forward Work Programme as noted below, and that these constituted the only changes to the Programme presented –

Item 11 – Health and Safety Annual Report to be considered by the Executive at its 17 September, 2018 meeting

Item 23 – 2018/19 Revenue and Capital Budget Monitoring Report for Quarter 3 to be considered by the Executive at its 18 February, 2019 meeting.

Item 27 – Corporate Scorecard Quarter 3, 2018/19 to be considered by the Executive at its 25 March, 2019 meeting.

It was resolved to confirm the Executive’s updated Forward Work Programme for the period from August, 2018 to March, 2019 as presented.

7. DRAFT FINAL ACCOUNTS 2017/18

The report of the Head of Function (Resources) and Section 151 Officer incorporating a summary of the draft final accounts for 2017/18 was presented for the Executive's consideration.

Councillor Ieuan Williams drew attention to the fact that he was named in the report, but as the report is a factual account the legal advice is that he was not required to declare an interest.

The Portfolio Member for Finance reported that the audit of the draft final accounts has commenced and that the final audited accounts will be presented to the Audit Committee and to the Full Council in September, 2018.

The Head of Function (Resources) and Section 151 Officer confirmed that the audit process may result in minor amendments to the figures contained in the summary of the Financial Statements. The Officer clarified that the Consultancy Costs for Quarter 4 are included as part of the report as they were not reported on in the Revenue Budget Monitoring report as is usual practice.

The Executive noted that the financial outcome for 2017/18 indicates that the continuing austerity programme is having an impact on public spending. The Authority is making every effort to identify savings but reconciling this need with delivering a balanced budget is becoming ever more challenging.

The Executive also noted that although the Council's General Reserve Fund has reduced at the end of 2017/18 due mainly to meeting the overspend on the revenue budget, the Council does hold money in reserve for such a purpose i.e. as security against unforeseen events or unplanned for expenditure.

It was resolved –

- **To note the draft unaudited main financial statements for 2017/18.**
- **To note the position on earmarked reserves and to approve the use of, or increases to individual reserves as noted in Appendix 4 of the report.**
- **To approve the new reserves amounting to £0.513m as shown in Table 3 of the report.**
- **To note the school balances position.**
- **To note the HRA balances as at 31 March, 2018.**
- **To note the Consultancy costs for Quarter 4.**

8. ANTI-POVERTY STRATEGY

The report of the Head of Housing Services incorporating the draft Anti-Poverty Strategy following consultation was presented for the Executive's consideration.

The Portfolio Member for Housing and Supporting Communities reported that the Anti-Poverty Strategy was considered by the Partnership and Regeneration Scrutiny Committee at its meeting held on 9th July, 2018; the Scrutiny Committee recommended that the Strategy be approved and that it also becomes an objective for each service within their annual Service Delivery Plan. The Portfolio Member said that he was grateful for the Scrutiny Committee's input and saw the inclusion of the strategy as an objective in service delivery plans as a point of strength giving added impetus to tackling poverty.

The Head of Housing Services said that the Anti-Poverty Strategy has been through a comprehensive consultation process.

It was resolved –

- **To approve the Anti-Poverty Strategy as presented**
- **That each Service includes the Strategy as an objective within the annual Service Delivery Plan.**

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

The report of the Assistant Chief Executive (Governance and Business Process Transformation) and Statutory Director of Social Services on the effectiveness of Social Services during 2017/18 was presented for the Executive's consideration

The Chair and Portfolio Member for Social Services reported that the Annual Report had been scrutinised by the Corporate Scrutiny Committee at its meeting held on 5 July, 2018. She commended the report to the Executive.

The Assistant Chief Executive/Statutory Director of Social Services said that this is the second year wherein the Annual Report has followed the current format which is prescribed by the Code of Practice and is based on six Quality Standards. The report is aimed at a varied audience including elected members, the general public, service users, partners and Care Inspectorate Wales and seeks to promote awareness and accountability for the performance and progress made over the past year in delivering Social Services within the Isle of Anglesey County Council. The Service held a well-attended Service Challenge session on 14 June, 2018 to which partner organisations, third sector organisations, carers, and providers had been invited.

The Officer said with reference to Adults' Services that the Service has made good progress during the year, in particular the re-modelling of Garreglwyd in Holyhead in order to provide specialist support for older people with dementia, thereby enabling them to remain on Anglesey closer to family and friends. Hafan Cefni, the new Extra Care facility in Llangefni is scheduled to open later in 2018 and will also enable more people to remain within their community as their care and support needs increase. In addition, the service has tendered for new Domiciliary Care arrangements which will improve access and consistency of service. The Social Services' collaboration with partners has also improved during the year in particular with the Betsi Cadwaladr University Health Board, North Wales Police and Third Sector partners.

Significant progress has been made in improving Children and Families' Services during the year as acknowledged by Care Inspectorate Wales in its letter of January, 2018. Although a number of elements in the post Inspection Action and Improvement Plan are now in place, the Service continues on its journey of improvement and is due to be re-inspected by CIW later in 2018.

The Officer added that the Social Services' support to the people of Anglesey is also a corporate responsibility and is not limited to statutory Children and Adults' Services. The Service has arranged for all Council staff to receive training on Violence against Women, Domestic Abuse and Sexual Violence which is mandatory on all councils and other public organisations; 75% have received training at the first level which compares well with other local authorities

The Statutory Director of Social Services thanked all those who had contributed to the Social Services' performance during the year be that by collaboration or by providing support and challenge; those include the Service's partners and service providers; communities on Anglesey, the staff of Adults' and Children and Families' Services and also the Elected Members serving on the Corporate Scrutiny Committee, the Executive and the Children's Panel and the Adults' Services Transformation Board.

Councillor Aled M. Jones, Chair of the Corporate Scrutiny Committee reported that the Committee at its meeting on 5 July 2018 had scrutinised the Annual Report in detail and had resolved to accept the report and to recommend it to the Executive.

The Executive considered the Annual Report and made the following observations –

- That Social Services have now transferred to the Welsh Community Care Information System (WCCIS) which integrates social care and health information in a national system. The Executive noted that the Service had experienced initial issues with the system which are being addressed with external support. The Executive sought assurance that Social Services' staff are now happy in the use of the system and that the system meets theirs and the service's needs.

The Statutory Director of Social Services said that the WCCIS helps Health and Social Care staff including both Children and Adults' Social Care staff work together to provide better care based on a single national information system. However, the system can be adapted and Anglesey's Social Services has engaged a consultant to implement modifications to ensure the system is responsive to the Service's needs; this process has commenced with Children and Families' Services and is to be followed by Adults' Services.

The Head of Children and Families' Services confirmed that the Service is working through the various work streams in Children and Families' Services to establish how the WCCIS can be made to suit each element of the service. This work has been completed to the staff's satisfaction in relation to Teulu Môn and work is now commencing on the second phase in relation to Child Protection and Looked after Children services.

The Head of Adults' Services said that the Service is working with the Consultant to ensure that work streams are reasonable thereby ensuring the system enables the service to support individuals in the community and to oversee staff whilst being aware of the work that needs to be done, and also that there is easy access to the information required to support each individual's care. There are regular meetings with the Consultant and it is anticipated that areas in Adults' Services will be addressed towards the middle part or the end of the summer. The Officer said that in the areas where the system has been adapted to meet the service's specific needs, it has made a significant difference.

- That Social Services and in particular Children and Families' Services are experiencing financial pressures and were overspent in 2017/18. In light of the financial challenges, the Executive sought clarification of how Social Services plan to ensure continuous improvement.

The Statutory Director of Social Services said that the legislative and legal requirements in relation to children and families have increased as has the number of children and young people needing to be looked after by the Authority. Their care needs are met in different ways e.g. placements with foster carers, with friends and family and sometimes due to specific reasons, they are placed out of county which can

be costly. A small percentage of young people receive their care in out of county residential placements and these incur significant costs. Whilst the service is seeking to safely reduce the number of children and young people in care placed out of county, these are costs which are largely out of the Authority's control as it has to meet the needs of the children and young people it looks after in the most appropriate way. The Service is focusing on developing prevention and early intervention strategies e.g. the Resilient Families Team to reduce the need for children to become looked after as well as recruiting additional foster carers so that looked after children can remain on the Island. The Service is also considering setting up a Small Group Homes arrangement.

- That an important factor in enabling people to remain independent for longer thereby reducing the need for residential/nursing care is the development of community based provision. The Executive sought clarification of the progress made in developing community hubs on the Island and the financial support for them as well as the expectations for Extra Care services in Hafan Cefni and beyond.

The Head of Adults' Services said that community based provision as well as Extra Care provision enable people to remain within their communities. Community Hubs provide older people with the opportunity to stay active within their communities by participating in and contributing towards community activities. Similarly, Extra Care provision allows people to remain independent within their own homes where otherwise they might have entered residential or nursing care. The Authority believes these are more effective and efficient ways of meeting the needs of older people. The Authority has been helping Community Hubs access grant funding mostly in the form of capital funds to adapt buildings; the Authority does not as a rule provide the Hubs with long-term grant support instead encouraging them to be self-supporting. However, there have been occasions when the Authority has intervened and when that happens it seeks to ensure that it acts consistently and fairly. The Extra Care facility at Hafan Cefni is expected to open mid-September, 2018 and 40 of the apartments have been allocated. By the time it is open it is anticipated that the facility will be nearing full occupation recognising also that the people who will be accommodated at Hafan Cefni are those whose needs are best met through Extra Care. The planned Extra Care facility in the Seiriol area is linked to a decision in relation to the future of the school in Beaumaris; the scheme can be progressed once a decision has been made. It is the intention to extend Extra Care throughout the Island with the North being the next area to be considered.

It was resolved to accept the Annual Report of the Statutory Director of Social Services as an accurate reflection of the effectiveness of Social Services during 2017/18.

10. GROWTH VISION AND STRATEGY FOR THE ECONOMY OF NORTH WALES: GOVERNANCE AGREEMENT

The report of the Chief Executive incorporating a Governance Agreement for the first stage of regional working in relation to the Growth Deal Bid for North Wales was presented for the Executive's consideration.

The Chair reported that all partners to the Growth Deal Bid work have adopted a preferred governance model 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 (GA1) has been developed for this first stage of the Growth Deal Bid 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 now been adopted by the other five North Wales local authorities. The four partner colleges are not expected to come to a decision until September following the summer holiday period. It is anticipated that the Governance Agreement will be signed at the end of September or the start of October. The Executive is asked to agree to the GA1 as the Governance model for the development and presentation of the Growth Bid to Government. The creation of a governance mechanism to be able to do this is one of the requirements of Government prior to its considering the Bid. In response to a question by the Executive regarding the engagement of legal specialists to undertake work on the Agreement, the Officer clarified that the Government requires public bodies in Wales to use the National Procurement Service framework to engage specialists such as legal specialists. Legal advisors Pinsent Mason were selected by Flintshire Council as the most appropriate to provide expert independent advice on the development of the GA1.

The Head of Function (Resources)/Section 151 Officer confirmed that no decision in relation to future financial contributions other than each partner organisation's contribution to the development of the GA1, has been made.

It was resolved –

- **To note and welcome the progress on the development of a Growth Deal Bid.**
- **To approve the first stage Governance Agreement subject to the Full Council's approval of the non-Executive arrangements i. e. the arrangements for Scrutiny.**
- **That Full 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.**
- **To recommend that 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 at Appendix 1 to the report.**
- **To recommend that Executive arrangements contained within the Governance Agreement be included in the Constitution and that the Council be asked to include the non-Executive arrangements relating to Scrutiny within the Constitution.**

11. EXCLUSION OF THE PRESS AND PUBLIC

In the absence of the Chair, the Vice-Chair took the Chair for this and item 12 on the agenda.

It was resolved under Section 100(A)(4) of the Local Government Act 1972, to exclude the press and the public from the meeting during the discussion on the following item on the grounds that it involved the disclosure of exempt information as defined in Schedule 12A of the said Act and in the Public Interest Test presented.

12. FUTURE OF SHIRE HALL LLANGFN

The report of the Head of Regulation and Economic Development in relation to the future of the Shire Hall building in Llangefni was presented for the Executive's consideration. The report set out the three options open to the Executive in deciding on a course of action with regard to the Shire Hall, and it detailed the implications, consequences and risks in

connection with each option as well as recommending a way forward in light of those considerations.

Councillor Dylan Rees, a Local Member spoke on the matter as a member of Llangefni Town Council.

It was resolved to authorise Property Services to proceed in accordance with the recommendation of the report.

Councillor Llinos Medi Huws (Chair for items 1 to 10)
Councillor Ieuan Williams (Chair for items 11 and 12)

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THE EXECUTIVE

Minutes of the extraordinary meeting held on 18 July, 2018

PRESENT:	Councillor Llinos Medi Huws (Chair) Councillor Ieuan Williams (Vice-Chair) Councillors Richard Dew, Carwyn Jones (also a Local Member) R. Meirion Jones, Alun Mummery, R.G. Parry, OBE, FRAGS, Dafydd Rhys Thomas, Robin Williams.
IN ATTENDANCE:	Chief Executive Assistant Chief Executive (Partnerships, Community & Service Improvement) Head of Function (Resources) & Section 151 Officer Committee Officer (ATH)
APOLOGIES:	None
ALSO PRESENT:	Councillors Lewis Davies, John Griffith, Glyn Haynes, Aled M. Jones, Eric Jones, Alun Roberts, Nicola Roberts.

1. DECLARATION OF INTEREST

Councillor Carwyn Jones declared a personal and prejudicial interest with regard to item 2 on the agenda as Chair of the Governing Body of Ysgol Llandegfan and also on the grounds of his wife's and mother's employment in Ysgol Llandegfan and his cousin's employment in Ysgol Beaumaris. Councillor Carwyn Jones said that he had been granted dispensation by the Standards Committee on 18 July, 2017 to represent the local viewpoint throughout the process but not to vote on the matter.

Councillor Alun Roberts (not a member of the Executive) declared a personal but not prejudicial interest with regard to item 2 on the agenda as a member of the Governing Body of Ysgol Beaumaris.

2. SCHOOLS' MODERNISATION – SEIRIOL AREA

The report of the Assistant Chief Executive (Partnerships, Community and Service Improvement) incorporating the report on the outcome of the statutory consultation on the modernisation of the primary education provision in the Seiriol area (Ysgol Llandegfan, Ysgol Llangoed and Ysgol Beaumaris) was presented for the Executive's consideration. The statutory consultation process was conducted in the period from 22 May, to 2 July, 2018.

The Portfolio Member for Education, Libraries, Culture and Youth reported that Welsh Government's Twenty-First Century Schools Programme which involves long-term capital investment in schools and colleges was introduced in 2013. The programme provides an opportunity to create high quality, sustainable schools for children now and for generations to come. Funding under the programme will not be available for ever. The Portfolio Member said that the issues affecting the three schools under consideration at this meeting form part of a bigger picture encompassing the Island as a whole and the Education Service within it.

The Education budget makes up 40% of the Council's overall budget; the Education Service faces having to implement savings of up to £5.2m over the course of the next 3 years. Added to this are schools' maintenance backlog costs of £16m. Historically, the Authority has sought to protect the Education Service in implementing budget cuts – this is no longer possible. The financial challenges facing this and other local authorities is the result ultimately of austerity imposed by the Westminster Government which results in less funding to Welsh Government which in turn affects councils in Wales whose budgets are reducing year on year.

The Portfolio Member said that closing a school is not a decision that anyone wants to take; however the education community on Anglesey including a number of head teachers and school governors have repeatedly said that doing nothing is not an option. The Authority's School Modernisation Programme is about evaluating the future of schools and the effects on stakeholders including children, parents, school staff and governors. It is a contentious matter and a challenging task for the Authority; it is also an issue that causes concern for parents and this is acknowledged. However, what is being considered is the future of the Island's schools for the next 50 years; a schools' service that is wilting under the pressure of financial cuts; a maintenance backlog, the demands of the curriculum as well as a number of other issues. The Council must give serious consideration to making the schools system more effective so as to create an environment wherein both pupils and teachers can succeed, and also to making it more efficient so that resources are used effectively and all schools get a fair share of the budget. In implementing the modernisation programme the Authority is also seeking to improve educational outcomes for children; to improve leadership standards and the quality of teaching and learning and also to ensure there are sector leading schools in each area. The drivers of change are the same as they have been and are set out in the report. The Portfolio Member said that when it comes to the role of Elected Members in this process they have a duty to their individual communities but they also have a duty to consider what is in the best interests of the Island as a whole i.e. to take a corporate perspective that goes beyond any single area. The Portfolio Member thanked everyone who had taken the time to respond to and participate in the consultation process.

The Assistant Chief Executive referred to the themes and issues raised by stakeholders in responding to the consultation process and the Authority's response to the representations made; these are set out in section 10 of the report. Those issues along with other key considerations can be summarised as follows –

- In relation to standards, there is some variance in performance across the three schools in the Foundation Phase over the past three years. Two schools (Ysgol Beaumaris in 2016 and Ysgol Llangoed in 2016) have been in the lowest quartile and two schools (Ysgol Beaumaris in 2017 and Ysgol Llangoed in 2017) have been in the highest quartile. Based on Table 1 at Section 10.3, it could be argued that the outcomes profile of Ysgol Llangoed for the Foundation Phase is slightly lower than that of the other two schools. The performance of the three schools in KS2 has varied over the last three years and overall, their performance profile is similar (Table 2 at section 10.3)
- All three schools have been inspected during 2014/15. The inspection profile of Ysgol Llandegfan with a predominance of Good grades and one Adequate grade is stronger than that of Ysgol Beaumaris and that of Ysgol Llangoed whose profiles are similar. Both these schools are assessed as Adequate against the majority of inspection indicators. The Authority is keen to ensure that inspection outcomes are good. Estyn returned on monitoring visits to both Ysgol Beaumaris and Ysgol Llangoed in March 2015 and June, 2016 respectively. Both schools were judged to have made good progress and both were taken out of monitoring by Estyn.
- Expenditure per pupil for 2017/18 is higher than the average for Wales (£3,690) in Ysgol Beaumaris (£5,976) and Ysgol Llangoed (£4,077) whilst it is less in Ysgol Llandegfan (£3,589). The table at paragraph 9 of section 10.3 of the report shows that

Ysgol Beaumaris received £80,160 more funding than the Authority average for 2017/18 - this pattern has existed for several years. The corresponding figure for Ysgol Llangoed is £8,190. The same calculation shows that Ysgol Llandegfan received £58,982 less funding than the Authority average.

- Many stakeholders at Ysgol Llangoed refer to the school being in a good condition with scope to extend it further. Condition surveys were carried out by the Council's surveyors from the end of 2015 to the beginning of 2016 and this review provides an indication of the cost of maintenance backlog at schools. The maintenance backlog costs for Ysgol Beaumaris is £936k which reflects its Grade C condition (poor with big shortcomings) – the accuracy of this figure has been questioned by stakeholders. For Ysgol Llandegfan the backlog maintenance cost is £86,000 and for Ysgol Llangoed £107,000. The Council's Chartered Surveyors have also carried out an initial assessment that shows that land is available around Ysgol Llangoed for extending the building further.
- A large number of stakeholders at Ysgol Llangoed refer to the school having less surplus places than Ysgol Beaumaris. The percentage of surplus places in the three schools as at January, 2018 varied. Ysgol Llandegfan with 154 pupils is overfull whilst Ysgol Llangoed has 20% surplus places and Ysgol Beaumaris has 72% surplus places with 34 pupils attending schools outside the catchment and 17 coming into Ysgol Beaumaris from other areas. In grouping them, there are 32% (or 123) surplus places in the Seiriol area.
- There is a need to ensure that Head teachers have at least 50% non-contact time in which to address, with the support of a deputy or senior management team, matters in relation to raising standards, teaching and learning and staff's continuous professional development. In Ysgol Llandegfan, the Head teacher has 60% non-contact time, in Ysgol Llangoed the Headteacher has 40% non-contact time and in Ysgol Beaumaris, the Headteacher's non-contact time is 30%.
- A number of stakeholders from Ysgol Llangoed commented on the Welsh language and in particular the potential impact on the language of closing Ysgol Llangoed and moving the children to Ysgol Beaumaris. In terms of the Authority's Language Charter, Ysgol Llangoed and Ysgol Beaumaris have reached the silver standard. The percentage of pupils who speak Welsh at home is 20% at Ysgol Beaumaris, 43% at Ysgol Llandegfan and 46% at Ysgol Llangoed.
- In relation to fuel expenditure, Ysgol Llangoed has the lowest spend of the three schools and it also has the lowest carbon dioxide emissions.
- A number of respondents were concerned about the effect on the community which closing either Ysgol Llangoed or Ysgol Beaumaris would have. Although it can be a challenge, there are examples where communities continue to thrive in villages where the school has closed; examples where a new school has created a wider community and also examples of flourishing communities where there is no school e.g. Penmynydd.
- Many stakeholders from Ysgol Beaumaris highlighted the importance of the current pre-school provision i.e. Little Puffins and were worried that this would cease if the school was to close. The Authority recognises the importance of this provision, and with such developments pre-school facilities are always considered as part of the education strategy in the area. In the past a Stakeholder Group has been established after the decision has been made by the Executive which would help determine the future of any current provision.
- Respondents from Ysgol Beaumaris were concerned that closing the school would lead to even greater demographic imbalance by discouraging young families from moving into the town; it was felt that this and the lack of social housing will strengthen the impression of Beaumaris as a retirement town. The Council recognises that having enough affordable housing for Anglesey residents is one of its priorities and is keen to start a new council house building programme and wants to hear from

- builders, developers and landowners who will work with the Council to build more houses in 10 areas on the Island; one of the areas is Beaumaris.
- Respondents from Ysgol Beaumaris were also disappointed that there was no option for a brand new school for the area nor an option to retain and invest in the three schools which they saw as indicative of less favourable treatment of the Seiriol area compared to other areas of the Island where the modernisation programme has been implemented. The option of a new primary school to replace the three schools in Seiriol has been considered but was not deemed an appropriate solution for the area with the lack of suitable land being a factor. Retaining all three schools is not a viable option in light of the financial challenges the Authority is facing. Whichever of the two options in the report is approved, refurbishing the other two schools entails considerable investment in bringing both buildings up to twenty-first century school standards.
 - Alternative options put forward by the Ysgol Beaumaris Response Committee were considered, evaluated and scored by the Authority; the outcome of this process is set out in section 10.5 of the report.
 - The work undertaken and the evidence it has produced lead to the conclusion that Ysgol Llandegfan because of the number of pupils, current performance, cost per head and maintenance backlog needs to be a central part of any new arrangement. The size of the schools, maintenance backlog, cost per head and the percentage of surplus places means that it is not possible to justify keeping Ysgol Beaumaris and Ysgol Llangoed open. Two options are therefore presented – to refurbish and extend Ysgol Llandegfan, close Ysgol Beaumaris and refurbish Ysgol Llangoed, or to refurbish and extend Ysgol Llandegfan, close Ysgol Llangoed and refurbish Ysgol Beaumaris.

Councillor Aled M. Jones, Chair of the Corporate Scrutiny Committee reported from the Committee's meeting held on 13 July, 2018 which considered this matter. Councillor Aled M. Jones said that the Scrutiny Committee had heard representations on behalf of both Ysgol Llangoed and Ysgol Beaumaris. The Committee also heard that the Island's Member of Parliament had submitted a letter urging the Authority to keep the three schools open until a site can be found for a new school for the area in line with the kind of investment that has been made in other parts of the Island where the primary education provision has been modernised. The Scrutiny Committee was presented with three options – the two options in the Officer's report as referred to above and a third option namely a proposal presented at the meeting by a member of the Committee that the three schools be retained until a new area school is built. As no option voted on by the Committee gained majority support, no recommendation was made.

Councillors Lewis Davies, Carwyn Jones and Alun Roberts spoke as Local Members.

Councillor Lewis Davies was of the view that the Community Impact Assessment did not address in sufficient depth the effect which closing a school has on a community in terms of demographics and de-population; he felt that Seiriol as an area was falling behind other parts of Anglesey as regards investment and regeneration with the Council turning its back on the area by closing and/or transferring responsibility for existing facilities and not offering anything in their place i.e. a new school.

Councillor Carwyn Jones spoke about his disappointment that an innovative solution which would see the co-location of a primary school with the Extra Care facility in Beaumaris which he had spent a great deal of time developing was not presented to the Corporate Scrutiny Committee. It could have been an option which the Committee was able to support. He said that the modernisation programme is a good thing and that no one would not want to see improved education standards and state of the art provision in

viable schools that will last for the next 50 years. The local perspective is also clear in wanting to see the modernisation process being extended to all three existing schools in the Seiriol area which would make up for the closure of Ysgol Llanddona when no alternative investment was forthcoming. Based on current performance Ysgol Llangoed and Ysgol Beaumaris could be centres of excellence for STEM subjects. Building a smaller school of four classrooms on the site of the existing Ysgol Beaumaris at a cost of in the region of £744k (based on professional opinion) is small change compared to some modernisation plans. Shared facilities with the Extra Care provision would lead to reduced overheads and reduced costs per pupil with close contact between the children and older people proving beneficial to both. It would enable retention of education capacity in the south east corner of the Island in readiness for the potential increase in population in the wake of all the projects that are in the offing or in development on the Island and the immediate area with Wylfa Newydd, the National Grid project and Bluestone being but a few.

Councillor Alun Roberts thought that the consultation on modernising the primary education provision in the Seiriol area in leading to the conclusions and recommendation that either Ysgol Llangoed or Ysgol Beaumaris should close was short-sighted and lacking in vision; it is not based on sound education foundations and does not allow for education provision of value and standard that meets the needs of all children and residents in Seiriol into the future. He believed it to be a quick-fix for a problem that is far more extensive. Both Ysgol Llandegfan and Ysgol Llangoed require investment which leaves Ysgol Beaumaris which is the real problem. Councillor Roberts said that the favoured solution locally is to establish a smaller school on the site of the existing Ysgol Beaumaris and to integrate it with the Extra Care facility. This is an economically, educationally and socially innovative option which might also be eligible for external funding. As the most populated school Ysgol Llandegfan would be the area's mother school with ancillary schools in Llangoed and Beaumaris served by a single Headship. Councillor Alun Roberts emphasised that closing either Ysgol Llangoed or Ysgol Beaumaris does not ensure the future of the other – instead closure could put the other school at risk as parents choose to send their children to schools elsewhere. The proposals as presented could ultimately jeopardise the future of both these schools.

The Assistant Chief Executive said that the main driver of schools' modernisation above all else is to raise educational standards the objective being to make Anglesey one of the five best local authorities in Wales in terms of education. In formulating its proposals the Authority has had regard of the revised Schools' Organisation Code although the Code is not at present legally binding. Additionally, the Authority's Impact Assessment was deemed to be appropriate by Estyn. The Officer said that it is not possible to project population increase or movement in and out of an area with complete accuracy, but based on documentation and discussions with Horizon which foresees that the majority of workers linked to the Wylfa Newydd project will be living in areas in and around the development site, it is possible that the 10 year+ construction phase could bring 230 additional families to the Island. However, there would need to be a very significant number of additional children to bring Ysgol Beaumaris to full capacity. With regard to correspondence, whilst no respondents' individual letters have been reproduced in full in the report on the consultation outcome, they have all been considered and their substance conveyed in the body of the report. Also, every alternative option presented has been considered and evaluated, and whilst the integration of a school and Extra Care facility on the existing Ysgol Beaumaris site is an attractive option (Option D in the report), it does not overcome many of the issues identified by the drivers of change. For example, the resulting school would still be a small school by Estyn standards (a school with less than 150 pupils) leading in all likelihood therefore to costs per pupil above the Anglesey and Wales average, thereby perpetuating the current inequality of spend across the Island's schools; it would have mixed age classes making it more difficult to raise

standards; a Head Teacher would have insufficient non-contact time and the size of the school would make establishing a Leadership Team difficult. If federated, the school would still have to have a site manager. There are also safeguarding implications to shared facilities. The option would address the maintenance backlog but parking and traffic issues would need to be considered as would surplus places which the option does not solve in relation to the area overall. With regard to STEM subjects, the Donaldson review of the Curriculum in Wales expects all schools to develop these subjects as areas of learning. With regard to the risk posed to the future of one school by closing the other, the Officer said that the Authority cannot predict to which school parents may send their children be that within or outside the area, and that this is a matter of parental choice.

The Assistant Chief Executive added that a number of stakeholders from Ysgol Beaumaris have questioned the maintenance backlog costs cited for the school, in particular an additional sum of £310k for possible works. The Officer said that heating at the school has been an issue for many years meaning that a new boiler will be needed at some point; the floors, kitchen, windows, lights and hall could do with refurbishment and/or replacement which as the school is listed, are likely to come with added costs. These are the works which make up the extra £310k costs. Regardless of these, the maintenance backlog cost for Ysgol Beaumaris at £661k would still be significant and higher than for many other schools on Anglesey.

Responding to a paper that had been circulated immediately before the meeting which detailed the impact of removing the £310k additional maintenance costs from the figures the Head of Function (Resources) and Section 151 Officer said that he had reviewed the calculations with the result that removing the £310k from the equation would reduce the capital financing costs by £10,639k. This option, although it brings down the costs still involves an additional cost of £9,600. The paper also referred to transport costs which it states could be reduced from the £54k in the report to £38k in closing Ysgol Llangoed and not Ysgol Beaumaris. The figure of £54k in the report is based on running 2 buses from Llangoed to Beaumaris daily based on the number of pupils in Ysgol Llangoed and the value of current school transport contracts.

The Executive considered the report and the views of the Local Members and responded as follows –

- The Executive noted that one of the Authority's main objectives in implementing the Schools' Modernisation Programme, is to raise education standards across the Island's primary schools sector. A key part of the programme is to ensure that school buildings create the best possible learning and teaching environment for pupils and staff and that they are sustainable and in the right place. The Executive noted that Ysgol Beaumaris requires substantial maintenance work and that the condition of the building has been assessed as poor.
- The Executive noted that the decline in the number of pupils at Ysgol Beaumaris from 189 in 1996 to 40 as at January, 2018 is significant and is a serious consideration. The Executive further noted that 17% of the pupils currently at Ysgol Beaumaris come from outside the catchment and that the school has 103 surplus places or 72%.
- The Executive noted that it is anticipated that the Wylfa Newydd project will increase the population of the Island during the construction and implementation phases and that it is a view held locally in Beaumaris as stated in the response to the consultation that senior officers would wish to live in Beaumaris and Llandegfan. The Executive noted further that senior officers relocating to the area are less likely to have children of primary school age and that it would need a significant percentage of families with children moving into the area to bring Ysgol

Beaumaris up to capacity and to make it viable. Also housing in the area can be expensive making it a less attractive and uneconomical location for young families to settle in.

- The Executive noted that the Member of Parliament has asked the Authority to reconsider its proposals for the Seiriol area in favour of identifying a site for a brand new school for the area. The Executive noted further that the Lairds site has been mentioned locally as a potential development site. The Executive sought clarification whether pausing to consider building a new school is a realistic option in light of the facts that the JLDP does not come up for review until 2022 so no new sites can be considered until then and that the planning and building process would take additional time. The Assistant Chief Executive said that the timescales and financial climate makes this an unrealistic option. Although schools and the Education Service have been protected in the past, given the extent of the pressure on the Council's budget it is very likely that both the primary and the secondary schools sector will face budget cuts next year. Also, the timescale for identifying land and for planning and building a new school could be lengthy and would have implications for other areas under the modernisation programme. The programme has to be implemented in the context of what is in the interests of education throughout Anglesey as a whole, and not by treating individual areas in isolation.
- The Executive noted that one option put forwards which has support locally is to combine an education provision with the Extra care facility on the existing Ysgol Beaumaris. In seeking clarification of whether this model would be feasible in relation to for example nursery provision, the Executive emphasised that the importance attached by the community to pre-school provision e.g. Little Puffins cannot be ignored and must be addressed. The Executive noted also that there is potential in the Seiriol area by harnessing the influence of Cwlwm Seiriol for example, to find workable solutions for the community that could include bringing the young and older generations together.

The Assistant Chief Executive said that the Authority recognises that the need for pre-school, nursery and childcare provision in the Seiriol area will have to be addressed whatever form this provision will take and this is acknowledged in the report.

The Chair highlighted that one respondent had found it difficult to respond via the online survey and she sought assurance that the consultation process in the Seiriol area had been conducted in the same way as for other areas. The Assistant Chief Executive confirmed that the consultation process has been undertaken using the same arrangements and format as for previous consultations in other areas. It was agreed that in future, consultation reports will carry a contact number in the event that any respondent has difficulty submitting their response.

The Portfolio Member for Education, Libraries, Culture and Youth concluded by saying that the responses from the areas where the modernisation process has been effected have been positive. The education system in Anglesey must be fair and must ensure that no schools are funded at the expense of others. Communities thrive because of people not because of buildings. The Portfolio Member said that the Executive has to make decisions based on facts having regard to what is in the long-term interests of the Island in totality. Those decisions can sometimes be difficult and unpalatable. The conclusions with regard to the consultation process on the modernisation of primary education in the Seiriol area as set out in section 13 of the report are clear; they lead regrettably to the conclusion that Option 1 is the most feasible option. The Portfolio Member proposed that Option 1 be approved by the Executive.

It was resolved –

- **To approve Option 1, namely to refurbish and extend Ysgol Llandegfan, close Ysgol Beaumaris and refurbish Ysgol Llangoed.**
- **That discussions with the pre-school childcare groups – Little Puffins and “Ti a Fi” – take place soon to establish the pre-school childcare provision required in the area.**
- **That Cwlwm Seiriol is included in the post-decision Stakeholder Group to be established.**

(Councillor Carwyn Jones declared an interest and did not vote on the matter)

**Councillor Llinos Medi Huws
Chair**

DRAFT

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	The Executive
Date:	17 September 2018
Subject:	The Executive's Forward Work Programme
Portfolio Holder(s):	Cllr Llinos Medi
Head of Service:	Lynn Ball Head of Function – Council Business / Monitoring Officer
Report Author: Tel: E-mail:	Huw Jones, Head of Democratic Services 01248 752108 JHuwJones@anglesey.gov.uk
Local Members:	Not applicable

A –Recommendation/s and reason/s
<p>In accordance with its Constitution, the Council is required to publish a forward work programme and to update it regularly. The Executive Forward Work Programme is published each month to enable both members of the Council and the public to see what key decisions are likely to be taken over the coming months.</p> <p>The Executive is requested to:</p> <p>confirm the attached updated work programme which covers October 2018 – May 2019;</p> <p>identify any matters for specific input and consultation with the Council's Scrutiny Committees and confirm the need for Scrutiny Committees to develop their work programmes further to support the Executive's work programme;</p> <p>note that the forward work programme is updated monthly and submitted as a standing monthly item to the Executive.</p>

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

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

-

C – Why is this a decision for the Executive?

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

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

Yes.

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

Not applicable.

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

* Key:

Strategic – key corporate plans or initiatives

Operational – service delivery

For information

2

F – Risks and any mitigation (if relevant)		
1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	
FF - Appendices:		
The Executive's Forward Work Programme: October 2018 – May 2019.		

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

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

THE EXECUTIVE'S FORWARD WORK PROGRAMME

Period: October 2018 – May 2019

Updated: 6 September 2018



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

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

Page 26 It should be noted, however, that the work programme is a flexible document as not all items requiring a decision will be known that far in advance and some timescales may need to be altered to reflect new priorities etc. The list of items included is therefore reviewed regularly.

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

The Executive's draft Forward Work Programme for the period **October 2018 – May 2019** is outlined on the following pages.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg / This document is also available in Welsh.

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October 2018						
1	Transformation of Education and Anglesey Schools Modernisation Strategy	Learning	Arwyn Williams Head of Learning Cllr R Meirion Jones	Corporate Scrutiny Committee - To be confirmed	The Executive .. October 2018 - To be confirmed	
2	The Executive's Forward Work Programme (S) Approval of monthly update.	Council Business	Huw Jones Head of Democratic Services Cllr Llinos Medi		The Executive 29 October 2018	
3	Annual Performance Report (Improvement Plan) 2017/18) Approval of report and recommendation to full Council.	Corporate Transformation	Carys Edwards Head of Profession – HR and Transformation Cllr Dafydd Rhys Thomas	Corporate Scrutiny Committee 24 October 2018	The Executive 29 October 2018	30 October 2018

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4	Capital Budget Strategic Plan 2019/20	This is a matter for the Executive as it falls within the Council's Budget Framework.	Resources	Marc Jones Head of Function – Resources / Section 151 Officer Cllr Robin Wyn Williams	Finance Scrutiny Panel (date to be confirmed)	The Executive 29 October 2018	
5	Change to the Constitution – Revised Audit and Governance Committee Terms of Reference To recommend that the Council approves revised terms of reference, following an update to the CIPFA guidance.	A collective decision is required by the Executive to make a recommendation to the full Council.	Resources / Council Business	Marc Jones Head of Function – Resources / Section 151 Officer / Lynn Ball Head of Function - Council Business / Monitoring Officer Cllr Robin Williams Cllr Dafydd Rhys Thomas		The Executive 29 October 2018	Full Council 30 October 2018 (To be confirmed)
6	Changes to the Constitution – Amendment to the Officers Code of Conduct / Local Guidance to the Officers' Code of Conduct	A collective decision is required by the Executive to make a recommendation to the full Council.	Council Business	Lynn Ball Head of Function - Council Business / Monitoring Officer Cllr Dafydd Rhys Thomas		The Executive 29 October 2018	Full Council 11 December 2018

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7	Establishing a Sustainable Drainage Approval Board		Highways, Waste and Property Huw Percy Interim Head of Highways, Waste and Property Cllr Bob Parry OBE		The Executive 29 October 2018	
8	Waste Management – Appointment of Temporary Project Manager		Highways, Waste and Property Huw Percy Interim Head of Highways, Waste and Property Cllr Bob Parry OBE		The Executive 29 October 2018	
9	Anglesey Schools Modernisation – Strategic Outline Case / Outline Business Case – New Primary School to replace Ysgol Bodffordd and Ysgol Corn Hir Approval of business case (SOC/OBC) before submission to Welsh Government.		Learning Arwyn Williams Head of Learning Cllr R Meirion Jones		The Executive 29 October 2018	

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November 2018							
10	2019/20 Budget (S) To finalise the Executive's initial draft budget proposals for consultation.	This is a matter for the Executive as it falls within the Council's Budget Framework.	Council Business	Marc Jones Head of Function – Resources / Section 151 Officer Cllr Robin Wyn Williams	Finance Scrutiny Panel 7 & 14 September 2018 Corporate Scrutiny Committee 24 October 2018	The Executive 12 November 2018	
11	Council Tax Premium Review, following the implementation of the Premium for one year		Resources	Marc Jones Head of Function – Resources / Section 151 Officer Cllr Robin Wyn Williams		The Executive 12 November 2018 (To be confirmed)	
12	The Executive's Forward Work Programme (S) Approval of monthly update.	The approval of the full Executive is sought to strengthen forward planning and accountability.	Council Business	Huw Jones Head of Democratic Services Cllr Llinos Medi		The Executive 26 November 2018	

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13 Corporate Scorecard – Quarter 2, 2018/19 (S) Quarterly performance monitoring report.	This is a matter for the full Executive as it provides assurance of current performance across the Council.	Corporate Transformation	Carys Edwards Head of Profession – HR and Transformation Cllr Dafydd Rhys Thomas	Corporate Scrutiny Committee 12 November 2018	The Executive 26 November 2018	
14 2018/19 Revenue and Capital Budget Monitoring Report – Quarter 2 (S) Quarterly financial monitoring report.	This is a matter for the full Executive as it provides assurance of current financial position across the Council.	Resources	Marc Jones Head of Function – Resources / Section 151 Officer Cllr Robin Wyn Williams	Finance Scrutiny Panel – Date to be confirmed	The Executive 26 November 2018	
15 Gambling Policy To recommend to full Council that the policy is approved.	This is a matter for the full Executive as it forms part of the Council's Policy Framework.	Regulation and Economic Development	Dylan Williams Head of Regulation and Economic Development Cllr Richard Dew		The Executive 26 November 2018	11 December 2018
December 2018						
16 The Executive's Forward Work Programme (S) Approval of monthly update.	The approval of the full Executive is sought to strengthen forward planning and accountability.	Council Business	Huw Jones Head of Democratic Services Cllr Llinos Medi		The Executive 17 December 2018	

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17	Homelessness Strategy Approval of the document following the consultation period.	Housing	Ned Michael Head of Housing Services Cllr Alun W Mummery	Corporate Scrutiny Committee 12 November 2018	The Executive 17 December 2018	
18	CIW Inspection of Children's Services in Anglesey – Improvement Plan – Quarterly Progress Report	Children's Services	Fôn Roberts Head of Children's Services Cllr Llinos Medi	Children's Services Improvement Panel 26 November 2018 Corporate Scrutiny Committee w/c 12 December 2018	The Executive 17 December 2018	
January 2019						
19	The Executive's Forward Work Programme (S) Approval of monthly update.	Council Business	Huw Jones Head of Democratic Services Cllr Llinos Medi		The Executive 28 January 2019	

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February 2019							
20	2018/19 Revenue and Capital Budget Monitoring Report – Quarter 3 (S) Quarterly financial monitoring report.	This is a matter for the full Executive as it provides assurance of current financial position across the Council.	Resources	Marc Jones Head of Function – Resources / Section 151 Officer Cllr Robin Wyn Williams	Finance Scrutiny Panel – Date to be confirmed	The Executive 18 February 2019	
21	2019/20 Budget (S) Adoption of final proposals for recommendation to the County Council.	This is a matter for the Executive as it falls within the Council's Budget Framework.	Resources	Marc Jones Head of Function – Resources / Section 151 Officer Cllr Robin Wyn Williams	Corporate Scrutiny Committee 4 February 2019	The Executive 18 February 2019	27 February 2019
22	Fees and Charges 2019/20	This is a matter for the Executive as it falls within the Council's Budget Framework.	Resources	Marc Jones Head of Function – Resources / Section 151 Officer Cllr Robin Wyn Williams		The Executive 18 February 2019	
23	Financial Reserves To provide an update on the situation relating to financial reserves.	This is a matter for the full Executive as it provides assurance of current financial position.	Resources	Marc Jones Head of Function – Resources / Section 151 Officer Cllr Robin Wyn Williams		The Executive 18 February 2019	

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24 Discretionary Business Rate Relief Policy (O) Approve new policy following public consultation.	A collective decision is required detailing additional business rates relief to be awarded to charities and non-profit making organisations.	Resources	Marc Jones Head of Function – Resources / Section 151 Officer Cllr Robin Wyn Williams		The Executive 18 February 2019	
25 Treasury Management Strategy 2019/20 Adoption of strategy for the new financial year.	This is a matter for the Executive as it falls within the Council's Budget Framework.	Resources	Marc Jones Head of Function – Resources / Section 151 Officer Cllr Robin Wyn Williams		The Executive 18 February 2019	27 February 2019
26 Charges for non-residential services 2019/20 Approval.	A collective decision is required as the matter involves material financial considerations.	Adults' Services	Alwyn Jones Head of Adults' Services Cllr Llinos Medi		The Executive 18 February 2019	
27 Standard Charge for Council Care Homes 2019/20 Approval.	A collective decision is required as the matter involves material financial considerations.	Adults' Services	Alwyn Jones Head of Adults' Services Cllr Llinos Medi		The Executive 18 February 2019	

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28	Independent Sector Care Home Fees 2019/20 Approval.	A collective decision is required as the matter involves material financial considerations.	Adults' Services	Alwyn Jones Head of Adults' Services Cllr Llinos Medi		The Executive 18 February 2019	
29	Housing Rents and Housing Services Charges 2019/20		Housing Services	Ned Michael Head of Housing Services Cllr Alun Mummery		The Executive 18 February 2019	
30	The Executive's Forward Work Programme (S) Approval of monthly update.	The approval of the full Executive is sought to strengthen forward planning and accountability.	Council Business	Huw Jones Head of Democratic Services Cllr Llinos Medi		The Executive 18 February 2019	
March 2019							
31	The Executive's Forward Work Programme (S) Approval of monthly update.	The approval of the full Executive is sought to strengthen forward planning and accountability.	Council Business	Huw Jones Head of Democratic Services Cllr Llinos Medi		The Executive 25 March 2019	

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32 Corporate Scorecard – Quarter 3, 2018/19 (S) Quarterly performance monitoring report.	This is a matter for the full Executive as it provides assurance of current performance across the Council.	Corporate Transformation	Carys Edwards Head of Profession – HR and Transformation Cllr Dafydd Rhys Thomas	Corporate Scrutiny Committee 11 March 2019	The Executive 25 March 2019	
33 CIW Inspection of Children's Services in Anglesey – Improvement Plan – Quarterly Progress Report		Children's Services	Fôn Roberts Head of Children's Services Cllr Llinos Medi	Children's Services Improvement Panel (Date to be confirmed) Corporate Scrutiny Committee 11 March 2019	The Executive 25 March 2019	
34 Leisure Modernisation		Regulation and Economic Development	Dylan Williams Head of Regulation and Economic Development Cllr Carwyn Jones		The Executive 25 March 2019	

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April 2019						
35	The Executive's Forward Work Programme (S) Approval of monthly update.	The approval of the full Executive is sought to strengthen forward planning and accountability.	Council Business	Huw Jones Head of Democratic Services Cllr Llinos Medi		The Executive 29 April 2019
May 2019						
36	The Executive's Forward Work Programme (S) Approval of monthly update.	The approval of the full Executive is sought to strengthen forward planning and accountability.	Council Business	Huw Jones Head of Democratic Services Cllr Llinos Medi		The Executive .. May 2019

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ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	EXECUTIVE COMMITTEE
DATE:	SEPTEMBER 17th 2018
SUBJECT:	SCORECARD MONITORING REPORT - QUARTER 1 (2018/19)
PORTFOLIO HOLDER(S):	COUNCILLOR DAFYDD RHYS THOMAS
HEAD OF SERVICE:	CARYS EDWARDS
REPORT AUTHOR: TEL: E-MAIL:	GETHIN MORGAN 01248 752111 GethinMorgan@anglesey.gov.uk
LOCAL MEMBERS:	n/a

A - Recommendation/s and reason/s	
1.1	This is the first scorecard of the financial year 2018/19.
1.2	It portrays the position of the Council against its operational objectives as outlined and agreed collaboratively between the Senior Leadership Team / Executive and Shadow Executive in a workshop held on the 2 nd of July, 2018.
1.3	The Committee is requested to scrutinise the scorecard and note the areas which the Senior Leadership Team are managing to secure improvements into the future. These can be summarised as follows – <ul style="list-style-type: none"> 1.3.1 <i>Underperformance is recognised and managed with mitigation measures completed to aide improvement during Q2 -</i> 1.3.2 <i>Performance targets are re-evaluated during Q2 and Q3 following the publication of the national comparator data with an emphasis placed on improving those indicators which have performed in the lower and lower median quartiles.</i> 1.3.3 <i>To continue with the regular service sickness challenge panels with an associated work-plan to keep a focus on improving our sickness management figures</i>

<p>1.3.4 <i>The Customer Service Excellence Board continues to monitor the indicators and Childrens Services are reminded to provide a written response to complaints within timescales.</i></p> <p>1.3.5 <i>Regular scrutiny of corporate financial management is continued and the remedial actions are undertaken by the Heads of Service to assist the services in managing within the budgets they can control</i></p> <p>1.4 The Committee is asked to accept the mitigation measures outlined above.</p>		
B - What other options did you consider and why did you reject them and/or opt for this option?		
n/a		
C - Why is this a decision for the Executive?		
This matter is delegated to the Executive		
CH - Is this decision consistent with policy approved by the full Council?		
Yes		
D - Is this decision within the budget approved by the Council?		
Yes		
DD - Who did you consult? say?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	This was considered by the SLT at their meeting on the 28th August and their comments are reflected in the report
2	Finance / Section 151 (mandatory)	No comment
3	Legal / Monitoring Officer (mandatory)	No comment
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	
E - Risks and any mitigation (if relevant)		
1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	

F - Appendices:
Appendix A - Scorecard Monitoring Report – Quarter 1, 2018/19 & Scorecard
FF - Background papers (please contact the author of the Report for any further information):
<ul style="list-style-type: none">• 2017/18 Scorecard monitoring report - Quarter 4 (as presented to, and accepted by, the Executive Committee in June 2018).

SCORECARD MONITORING REPORT – QUARTER 1 (2018/19)

1. INTRODUCTION

- 1.1 One of the Council's aims under the Wales Programme for Improvement is to secure the means by which continuous improvement can be evidenced and presented across the different services. To that end, on an annual basis, a performance report is drafted to be published by end of October, which demonstrates progress or not (as the case may be).
- 1.2 This quarterly scorecard reporting has been developed in parallel with that annual work-stream to identify and inform Council leaders of progress against indicators which explicitly demonstrates the successful implementation of the Council's day to day activities and assists in providing the evidential base from which the performance report is drafted.
- 1.3 This year's indicators included within the scorecard (similar to previous years) have been decided via a workshop held on the 2nd July, 2018 with members of the Senior Leadership Team, the Executive and Shadow Executive following guidance from Head of Services as to which indicators they identified as important.
- 1.4 The scorecard (Appendix 1) portrays the current end of Q1 position and will (together with its report) be considered further by the Corporate Scrutiny Committee and the Executive during September.

2. CONTEXT

- 2.1 This is the sixth year of collating and reporting performance indicators in a coordinated manner. The Council is seeing trends establish themselves with regards to a number of those indicators and the comments by SLT / Scrutiny and the Executive are having an impact on operational delivery.
- 2.2 This impact can be evidenced quarterly and by our end of year performance against the PAM's.
 - 2.2.1 The Public Accountability Measures (PAM), which are a set of indicators which measure performance on a national basis, have been published by Data Cymru for 2018/19. Of the published indicators (Waste Management, Education and Social Services indicators won't be released until the end of October) the Councils year on year performance improved with 50% of the available indicators and declined in 35.7% of the available indicators. The remaining 14.3% were new indicators and can't be compared. (Chart 1)

Summary of area performance 2017-18

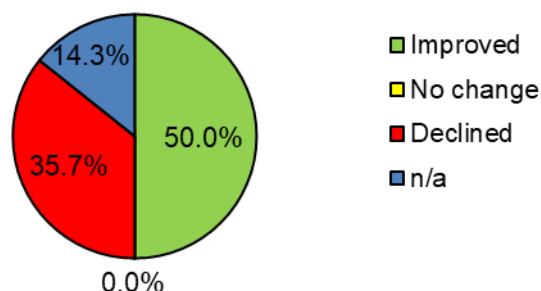


Chart 1

2.2.2 Of the published data, the Council have 5 in the Top Quartile (in the top 6 Councils in Wales), 5 in the Upper Median (placed 7th to 11th), 5 in the Lower Median (placed 12th to 16th), and 3 in the Lower Quartile (placed 17th to 22nd). For the PAM indicators which are tracked in the Scorecard their 2017/18 quartile placing can be seen in the last column.

2.2.3 Further analysis of the overall performance will be gained through the Annual Performance Report to be adopted by the Council in the autumn.

2.2.4 Targets for the published PAM indicators which are tracked on a quarterly basis have already been adjusted where needed. Targets for the remaining PAM indicators not yet published will be reviewed during Q2 and Q3 once the results are published and available at the end of October.

2.3 It is important to note that the formulation of this year's scorecard requested –

2.3.1 the addition of the new PAM (Public Accountability Measures) national performance indicators;

2.3.2 the Customer Service section on written responses to complaints within timescale be split in two –

- Corporate Complaints and
- Social Services Complaints.

2.3.3 In addition, the number of web and telephone payments have also been split into two in order to closely monitor the method of payments with the intention of seeing the telephone payment numbers decreasing and the web payments increasing over time as a result of our shift to a greater choice of digital channels.

2.4 PERFORMANCE MANAGEMENT

2.4.1 At the end of Q1 it is encouraging to note that the majority of performance indicators are performing well against their targets. This is encouraging to note and compares favourably to the position we were in during Q1 in 2017/18. Having said this, we do note that 2 indicators have started the year as underperforming against their annual target for the year, these are highlighted as being Red or Amber in colour

2.4.2 One of these indicators sits within the Children & Families Service and was ragged as Red against target at end of Q1 –

- (i) 04) PM28 – The Q1 target for the average length of time for all children who were on the CPR during the year, and who were de-registered during the year (days) was 320 days whilst the performance for Q1 averages at 350 Days. This is also compared to a performance of 326.5 Days at the end of Q1 in 17/18.

This indicator deals with a small number of children. There will be times when children need to remain on the CPR and it is important to note that whilst this is ragged as Red against its target this is not necessarily a reflection on Social Work

practice within the department as it contains other related factors which impact on achievement e.g. court orders a.s.o.

Having said this during Q1 there has been a reduction in the number of children and young people whose names have been placed on the Child Protection register and to improve these standards further for Q2 it is proposed that the following mitigation measures are followed -

- all cases of children who have been on the register for 10 months or more will be reviewed regularly. It is anticipated that this new internal mechanism will reduce the figure moving forward and demonstrate clearly that their associated risks are being managed sufficiently so that the children can be stepped up and stepped down from the register when needed

2.4.3 The single indicator within Adult Services which had underperformed during Q1 and was Red against its target was –

- (i) 11) PM20a - The percentage of adults who completed a period of reablement and have a reduced package of care and support 6 months later. The performance here was 0% at the end of Q1 against a target of 50%.

This indicator deals with a small number of cases (3) and therefore performance can fluctuate considerably from quarter to quarter. In Q1, as a result of the reablement intervention that the service has provided, there has been an increase in the package of care for those individuals supported as opposed to a reduced package of care. This reflects the nature of their presenting illnesses.

Due to the small number of cases involved this is statistically insignificant data at this stage and will be continued to be monitored over Q2 & 3.

2.4.4 The remaining indicators reported for Q1 are all ragged **GREEN** or **YELLOW** within the performance management section and have started well against their targets.

2.4.5 Of the total number of indicators which were highlighted as Red or Amber at the end of 2017/18 (8), it is encouraging to see that of those that can be tracked during Q1 of the current year, 5 of the 6 have improved in performance and only one indicator is currently underperforming. These 5 lie within Adults Services and Children & Families Services. The only indicator which continues to underperform is that of PM28 and has been discussed above in point 2.4.2.

2.4.5.1 Positively, it can be reported that indicator SCC/025, which underperformed as Red throughout 17/18 has improved and is currently Yellow on the scorecard with a performance of 78% against a target of 83%. This is an improvement on Q1 performance last year (17/18) where it was performing at 59.93%. Whilst not yet hitting the service target for this PI, it's a positive indicator that demonstrates that the changes being made within the service and supported by the SLT and Executive is starting to have an effect on performance.

2.4.5.2 Further evidence of improvement in the performance of Children's Services against relevant indicators can be found in the 'Children and Families Service Progress Report' which is presented to the Corporate Scrutiny and Executive meetings during September, 2018.

2.4.6 *In order to maintain and improve our national performance and standing as an achieving council, the SLT recommends –*

2.4.6.1 Targets are re-evaluated during Q2 and Q3 following the publication of the national comparator data with an emphasis placed on improving indicators in the lower and lower median quartiles.

2.4.7 Appendix B shows the whole programme of work which the two Corporate Transformation Programme Boards are overseeing. The issues highlighted are being managed and tracked accordingly via the Boards which meet on a quarterly basis.

2.5 PEOPLE MANAGEMENT

2.5.1 The management of our people is a crucial aspect of the Council’s corporate management which enables us (when managed sufficiently) to continue with our aim of improving our services for the people of Anglesey. A good and healthy workforce engenders a good and improving provision of service.

2.5.2 One area where this management can be tracked is associated with sickness. It is noted at the end of Q1 that the Council’s sickness rate (*indicator 3 on scorecard under people management*) of 2.69 days per FTE during the months of April through to June shows a decline when compared with the same period for 2017/18 of 2.23. However, it is on a par with the results of 2016/17 which saw an end of year performance of 9.78 days per FTE.

2.5.3 This projected result is evidenced by the broken red line in Table 1 below:

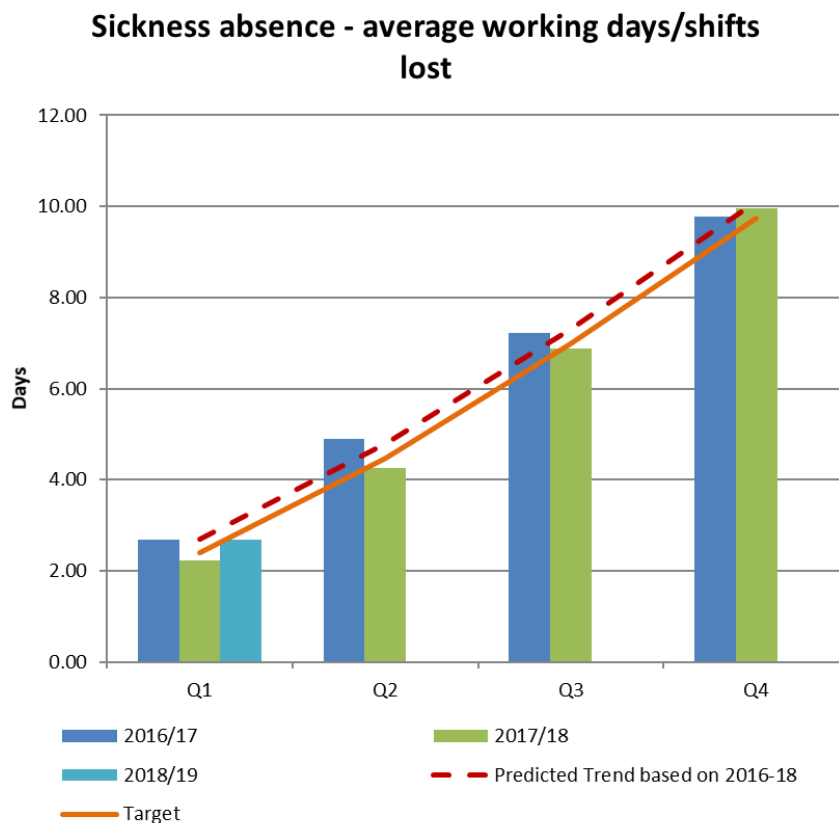


Table 1

2.5.4 In order to improve on this projected end of year possibility and to meet our annual corporate target of 9.75, service targets have been adopted for the forthcoming year based on previous year's performance.

These can be seen in Table 2 below:

Service	2018/19 Target
Adult Services	13.75
Children & Family Services	10.75
Council Business	7
Highways, Property and Waste	8
Housing	9.25
Learning	9.5
Regulation and Economic Development	8.75
Resources	7
Transformation	7

Table 2

2.5.5 Point to Note - If all service targets above are met the Council will meet its sickness absence target of 9.75 days per FTE. Based on 17/18 figures, this would continue to place the Council above the median for Welsh Councils of 10.41 days sick per FTE.

2.5.6 Greater in-depth analysis of service performance against these targets for Q1 indicate that 2 Services are underperforming compared to their targets for the quarter. These services are:

2.5.6.1 Adult Services – where a performance of 3.39 Days Sick per FTE against a target of 2.78 days sick per FTE is evidenced in Q1. The main reason for the underperformance in Q1 is due to a number of long term sickness cases in the Provider Unit. These long term sickness cases result in a total of 634 Days lost to sickness in Q1. This equates to 49% of the total days lost to sickness for the Service during the period.

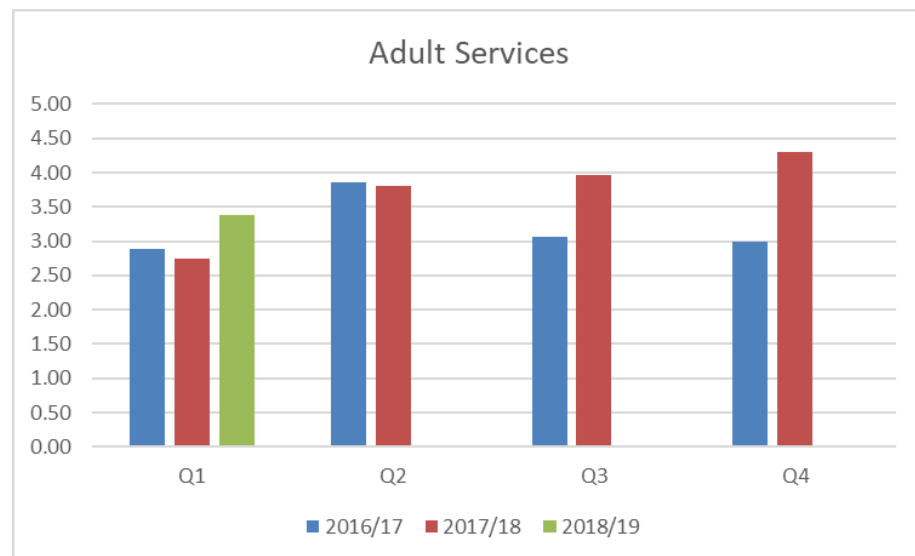


Table 3

2.5.6.2 Learning – RED – 2.99 Days Sick per FTE (Target 2.45). The main reason for this underperformance was due to the sickness levels in the Primary Schools (indicator 04 on the scorecard). Similar to Adult Services above, long term sickness is the main contributor with 1255.5 Days lost per FTE. In total, Primary Schools equated for 69% of the sickness levels in Learning during Q1.

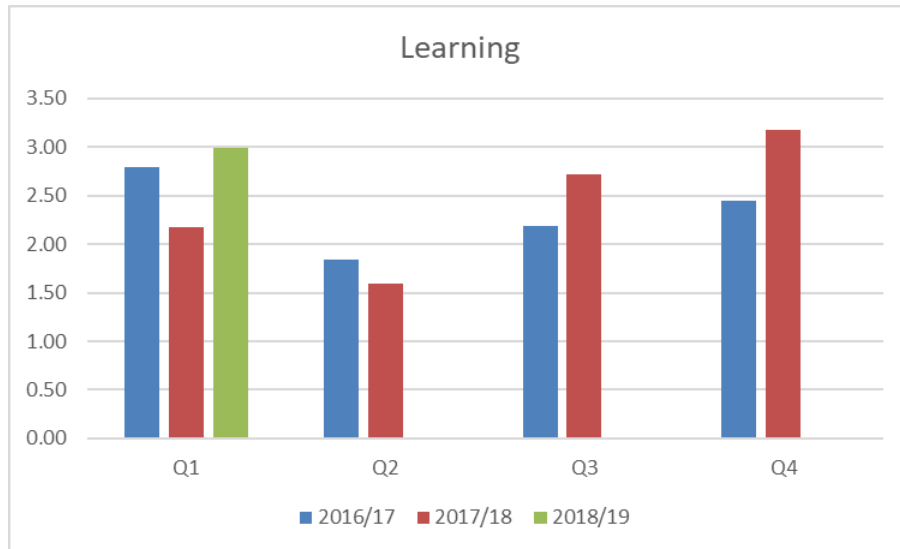


Table 4

2.5.7 At the end of Q1 it appears that a pattern of Long Term sickness can be evidenced throughout Council Services with a total of 56% of the days lost to sickness as a result of Long Term sickness. The reasons for this are varied and range from recovery post operations to stress and cancer.

2.5.8 As has been noted in previous reports, associated with Council sickness rates are the 'management' practices of sickness. An integral part of the management process within the Council is staff's compliance with corporate sickness policies which includes the undertaking of return to work interviews and attendance review meetings (*indicators 7 & 8 on scorecard*).

2.5.9 The Council continues to scrutinise these practices regularly across its wide-ranging services and by the end of Q1 a positive performance can be gleaned which is an improvement on past years. This is evidenced in table 5.

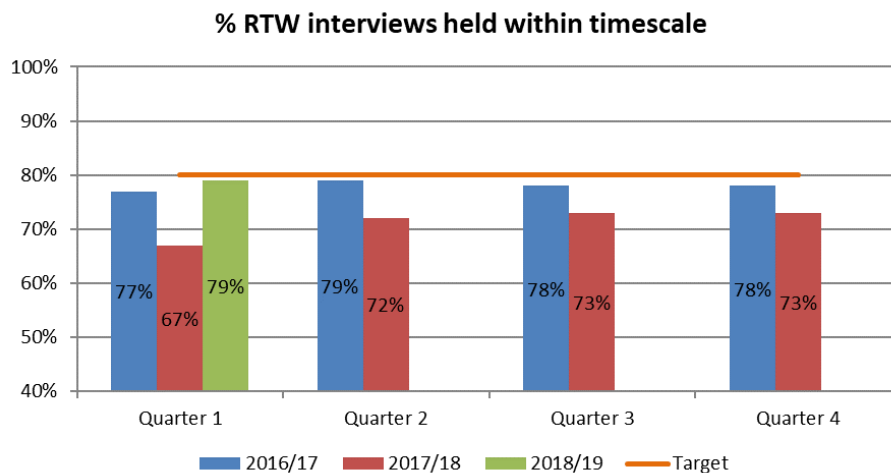


Table 5

2.5.10 The SLT therefore recommends –

2.5.10.1 *Sickness data is continually used to prioritise and target resource (Learning & Adults Service) to undertake service sickness challenge panels during 2018/19, which continues to be instrumental in the management of sickness.*

2.6 CUSTOMER SERVICE

- 2.6.1** During Q1, users used AppMôn technology to submit 905 reports (including fly tipping, faulty street lighting, compliments or complaints, broken pavements, sports club database forms and ordering recycling bins) up from 567 for Q1 17/18. 85% of these reports have come through the website.
- 2.6.2** A new indicator for this year is the number of registered users we have on AppMôn and the Council Website which stood at 4290 at the end of Q1. The Council website will have a new look during the year and because of this it is expected that the number of registered users increases as the access to more and more online forms and a customer focussed design becomes available. With the new design we also anticipate to see the number of web payments increasing during the year.
- 2.6.3** The remaining indicators within the Digital Services Section focus on the website and on our social media presence. Our social media presence increased once again during Q1 to 27k followers. This is shared through Facebook (12k followers), Twitter (14k followers) and Instagram (1k). These modes of communication are continuing to increase and the flow of information distributed and received via these channels it is envisaged will only increase further, therefore changing the way by which residents and others communicate with us as a Council. It also impacts on the workload of the small corporate team which currently monitors and responds to this social media presence.
- 2.6.4** With regards to customer complaints management, at the end of Q1 13 Complaints were received compared to 20 in Q1 17/18. This is an improvement on our service provision especially when we note that all of the complaints requiring a response by the end of Q1 (12) have received a response within timescale. Of these complaints 8 were not upheld, 3 were upheld in full (Resources [1], Highways, Property & Waste [1], and Housing [1]) and 1 was partly upheld (Highways, Property & Waste [1]). This once again demonstrates that we are progressive in our approach to dealing with complaints and use them pro-actively to improve matters.
- 2.6.5** Within social services there were 1 Stage 2 complaints in social services (Adult Services) and 9 Stage 1 Complaints (Childrens Services [5], Adult Services [4]) received during Q1. Of these complaints, a total of 56% (Red on the scorecard) have been responded to within timescale with 4 late responses (Childrens Services [3] and Adult Services [1]). Although Childrens Services failed to send written responses within timescale for 3 of the 5 Stage 1 complaints, 4 of the 5 (80%) had held a discussion with the complainant within timescales.
- 2.6.6** The % of FOI requests responded to within timescale performed at 80.5% at the end of Q1 compared to 78% at the end of 2017/18 which is an improvement in response rate. In total there was 287 FOI requests (totalling 2042 questions) in Q1 with 56 late responses. The majority of the late responses came from Social Services which equated to 32% of the late responses (43% of the 42 received by the service),

Regulation & Economic Development with 29% (32% of the 50 received by the service), and Resources with 12.5% (13% of the 55 received by the service). Our response to FOIs is important and improving and the SLT and Heads of Service continue to monitor the performance of FOIs closely.

2.6.7 The SLT therefore recommends –

2.6.7.1 *The Customer Service Excellence Project continue to monitor the indicators and Childrens Services are requested to re-evaluate their complaints management system in order to improve their rate of written responses to complaints within timescales.*

2.7 FINANCIAL MANAGEMENT

2.7.1 At the end of Q1 a total overspend of £1.744m is projected for the year-ending 31st March 2019. This is very similar to the overspend in 2017/18. £2.454m of this is on service budgets, which are made up of a number of over and underspends. The Services that are still experiencing significant budgetary pressures are similar to 2017/18 (Children and Families Service, and Learning). The Heads of Service are aware of the issues and are working to reduce the level of overspending which is within their control at the year-end.

2.7.2 Corporate Finance is expected to underspend by £0.412m and Council Tax, which includes the Council Tax Premium, is forecast to collect a surplus of £0.298m. The overall overspend is, therefore, reduced to £1.744m. The projected level of overspend is 1.33% of the Council's net budget. There is concern about the impact of this level of overspend on general balances should the overspend materialise.

2.7.3 Although this level of overspending can be funded from general reserves in 2018/19, it will deplete the general reserves to a figure well below the generally accepted minimum. It will be necessary during the 2019/20 budget setting process to fund the underlying level of overspending and to begin the process of replenishing the general balances. This is a prudent approach and is necessary to ensure that long term financial viability of the Council.

2.7.4 Forecasts are subject to change as new information becomes available. However, with regular scrutiny from SLT and if remedial action is taken by Heads of Services these will help the services manage within the budgets they can control.

2.7.5 The SLT therefore recommends that –

2.7.5.1 Regular scrutiny of corporate financial management is continued and the remedial actions are undertaken by the Heads of Service to assist the services in managing within the budgets they can control.

3. RECOMMENDATIONS

- 3.1** The Committee is requested to scrutinise the scorecard and note the areas which the Senior Leadership Team are managing to secure improvements into the future. These can be summarised as follows –
- 3.1.1** Underperformance is recognised and managed with mitigation measures completed to aide improvement during Q2.
 - 3.1.2** Targets are re-evaluated during Q2 and Q3 following the publication of the national comparator data with an emphasis placed on improving indicators in the lower and lower median quartiles.
 - 3.1.3** To continue with the regular service sickness challenge panels with an associated work-plan to keep a focus on improving our sickness management figures
 - 3.1.4** The Customer Service Excellence Project continue to monitor the indicators and Childrens Services are requested over the forthcoming six months to re-evaluate their complaints management system in order to improve their rate of written responses to complaints within timescales.
 - 3.1.5** Regular scrutiny of corporate financial management is continued and the remedial actions are undertaken by the Heads of Service to assist the services in managing within the budgets they can control.
- 3.2** The Committee is asked to accept the mitigation measures outlined above.

Appendix A - Cerdyn Sgorio Corfforaethol - Corporate Scorecard Ch-Q1

Gofal Cwsmer / Customer Service	CAG / RAG	Tuedd / Trend	Canlyniad / Actual	Targed / Target	Canlyniad 17/18 Result	Canlyniad 16/17 Result
Siarter Gofal Cwsmer / Customer Service Charter						
01) No of Complaints received (excluding Social Services)	Gwyrdd / Green	↑	13	18	71	71
02) No of Stage 2 Complaints received for Social Services	-	↑	1	-	9	5
03) Total number of complaints upheld / partially upheld	-	↑	4	-	28	25
04a) Total % of written responses to complaints within 20 days (Corporate)	Gwyrdd / Green	↑	100%	80%	92%	93%
04b) Total % of written responses to complaints within 15 days (Social Services)	Coch / Red	↑	56%	80%	-	-
05) Number of Stage 1 Complaints for Social Services	-	↑	9	-	51	54
06) Number of concerns (excluding Social Services)	-	↑	22	-	112	191
07) Number of Compliments	-	-	135	-	753	566
08) % of FOI requests responded to within timescale	Gwyrdd / Green	-	81%	80%	78%	77%
09) Number of FOI requests received	-	-	287	-	919	1037
Newid Cyfrwng Digidol / Digital Service Shift						
10) No of Registered Users on AppMôn / Website	-	-	4290	-	-	-
11) No of reports received by AppMôn / Website	-	↑	905	-	2k	1k
12) No of web payments	-	↑	3.5k	-	11k	-
13) No of telephone payments	-	↑	1.8k	-	5k	-
14) No of 'followers' of IOACC Social Media	-	↑	27k	25k	25k	21k
15) No of visitors to the Council Website	-	↓	209k	-	820k	715k

Rheoli Pobl / People Management	CAG / RAG	Tuedd / Trend	Canlyniad / Actual	Targed / Target	Canlyniad 17/18 Result	Canlyniad 16/17 Result
01) Number of staff authority wide, including teachers and school based staff (FTE)	-	-	2266	-	2252	2258
02) Number of staff authority wide, excluding teachers and school based staff(FTE)	-	-	1263.00	-	1244	1250
03a) Sickness absence - average working days/shifts lost	Coch / Red	↑	2.69	2.4	9.96	9.78
03b) Short Term sickness - average working days/shifts lost per FTE	-	-	1.17	-	4.63	4.72
03c) Long Term sickness - average working days/shifts lost per FTE	-	-	1.52	-	5.32	5.06
04a) Primary Schools - Sickness absence - average working days/shifts lost	Coch / Red	↓	3.78	2.45	10.39	-
04b) Primary Schools - Short Term sickness - average working days/shifts lost per FTE	-	-	1.7	-	4.85	-
04c) Primary Schools - Long Term sickness - average working days/shifts lost per FTE	-	-	2.08	-	5.55	-
05a) Secondary Schools - Sickness absence - average working days/shifts lost	Gwyrdd / Green	↑	2.18	2.45	9.67	-
05b) Secondary Schools - Short Term sickness - average working days/shifts lost per FTE	-	-	1.13	-	5.32	-
05c) Secondary Schools - Long Term sickness - average working days/shifts lost per FTE	-	-	1.06	-	4.35	-
06) % of RTW interview held within timescale	Melyn / Yellow	↑	78%	80%	73%	78%
07) % of RTW interview held	Ambr / Amber	↑	86%	95%	85%	91%
08) % of Attendance Review Meetings held	Gwyrdd / Green	↑	86%	80%	69%	57%
09) Local Authority employees leaving (%) (Turnover) (Annual)	-	-	-	-	11%	10%
10) % of PDR's completed within timeframe (Q4)	-	-	-	80%	90.50%	80%
11) % of staff with DBS Certificate (if required within their role)	-	-	-	-	91.40%	-
12) No. of Agency Staff	-	↓	13	-	12	15

Rheolaeth Ariannol / Financial Management	CAG / RAG	Tuedd / Trend	Cyllideb / Budget	Canlyniad / Actual	Amrywiad / Variance (%)	Rhagolygon o'r Gwariant / Forecasted Actual	Amrywiad a Ragwelir / Forecasted Variance (%)
01) Budget v Actuals	Coch / Red	-	£34,868,218	£35,762,826	2.57%	-	-
02) Forecasted end of year outturn (Revenue)	Coch / Red	-	£130,899,873	-	-	£132,646,393	1.33%
03) Forecasted end of year outturn (Capital)	-	-	£44,539,000	-	-	£22,071,000	-50.45%
04) Achievement against efficiencies	Ambr / Amber	-	£2,521,500	-	-	£2,386,500	-5.35%
05) Income v Targets (excluding grants)	Gwyrdd / Green	-	-£5,268,266	-£5,351,667	1.58%	-	-
06) Amount borrowed	-	-	£9,317,000	-	-	£5,847,000	-
07) Cost of borrowing	-	-	£4,491,593	-	-	£4,168,876	-7.18%
08) % invoices paid within 30 days	Gwyrdd / Green	-	-	92.20%	-	-	-
09) % of Council Tax collected (for last 3 years)	Gwyrdd / Green	-	-	98.60%	-	-	-
10) % of Business Rates collected (for last 3 years)	Gwyrdd / Green	-	-	98.60%	-	-	-
11) % of Sundry Debtors collected (for last 3 years)	Melyn / Yellow	-	-	97.50%	-	-	-
12) % Housing Rent collected (for the last 3 years)	-	-	-	99.77%	-	-	-
13) % Housing Rent collected excl benefit payments (for the last 3 years)	-	-	-	99.54%	-	-	-

Rheoli Perfformiad / Performance Management	CAG / RAG	Tuedd / Trend	Canlyniad / Actual	Targed / Target	Targed BI / Yr Target	Canlyniad 17/18 Result	Canlyniad 16/17 Result	Chwarter 17/18 Quartile
01) PAM/029 (PM33) - Percentage of children in care who had to move 3 or more times	Gwyrdd / Green	↑	0.65%	2.75%	11%	9%	5%	TBC Hydref / October
02) PAM/028 (PM24) - Percentage of child assessments completed in time	Gwyrdd / Green	↑	96.39%	90%	90%	67.57%	89.17%	TBC Hydref / October
03) SCC/025 - The percentage of statutory visits to looked after children due in the year that took place in accordance with regulations	Melyn / Yellow	↑	78%	83%	83%	63.32%	79.35%	TBC Hydref / October
04) PM28 - The average length of time for all children who were on the CPR during the year, and who were de-registered during the year (days)	Coch / Red	↓	350	320	320	326.5	266	TBC Hydref / October
05) SCC/010 - The percentage of referrals that are re-referrals within 12 months	Gwyrdd / Green		11.87%	15%	15%	-	-	TBC Hydref / October
06) SCC/006 - The percentage of referrals during the year on which a decision was made within 1 working day	Gwyrdd / Green		96%	94%	94%	-	-	TBC Hydref / October
07) PAM/025 (PM19) - Rate of people kept in hospital while waiting for social care per 1,000 population aged 75+	Gwyrdd / Green	↑	2.29	3	3	6.58	6.05	TBC Hydref / October
08) SCA/018b - The percentage of carers of adults who requested an assessment or review that had an assessment or review in their own right during the year	Gwyrdd / Green	↓	93%	93%	93%	96%	94.40%	TBC Hydref / October
09) SCA/002b - The rate of older people (aged 65 or over) whom the authority supports in care homes per 1,000 population aged 65 or over at 31 March	Gwyrdd / Green	↑	16.51	19	19	17.44%	20.51%	TBC Hydref / October
10) PM18 - The percentage of adult protection enquiries completed within statutory timescales	Gwyrdd / Green	↓	90%	90%	90%	93.25%	90.48%	TBC Hydref / October
11) PM20a - The percentage of adults who completed a period of reablement and have a reduced package of care and support 6 months later	Coch / Red	↓	0%	50%	50%	59.26%	62.60%	TBC Hydref / October
12) PM20b - The percentage of adults who completed a period of reablement and have no package of care and support 6 months later	Melyn / Yellow	↓	60.34%	62%	62%	62.65%	33.30%	TBC Hydref / October
13) PAM/007 - Percentage of pupil attendance in secondary schools (17/18)	Melyn / Yellow	↓	94.42%	94.80%	94.80%	94.80%		TBC Rhagfyr / December
14) PAM/008 - Percentage of pupil attendance in primary schools (17/18)	Gwyrdd / Green	↓	94.40%	94.60%	94.60%	94.60%		Uchaf / Upper
16) PAM/030 (WMT/009b) - Percentage of waste reused, recycled or composted	Gwyrdd / Green	↑	75.07%	74%	72%	72.2%	65.8%	TBC Hydref / October
17) PAM/035 - Average number of working days taken to clear fly-tipping incidents	Gwyrdd / Green		0.13	1	1	-	-	-
18) PAM/043 - Kilograms of residual waste generated per person			61kg		210kg	-	-	-
19) PAM/017 (LCS/002b) - Number of visits to leisure centres per 1,000 population	Gwyrdd / Green		131k	111k	515k	508k	464k	Canolrif Isaf / Lower Median
20) PAM/023 (PPN/009) - Percentage of food establishments that meet food hygiene standards	Gwyrdd / Green	↓	97%	95%	95%	98%	98%	Uchaf / Upper
21) PAM/018 - Percentage of all planning applications determined in time	Gwyrdd / Green	↑	90%	90%	90%	86%	-	Isaf / Lower
22) PAM/019 - Percentage of planning appeals dismissed	Gwyrdd / Green	↑	80%	65%	65%	47%	-	Isaf / Lower
23) PAM/041 - Percentage of NERS clients who completed the exercise programme	Gwyrdd / Green		78%	50%	50%	-	-	-
24) PAM/042 - Percentage of NERS clients whose health had improved on completion of the exercise programme	Gwyrdd / Green		88%	80%	80%	-	-	-
25) PAM/012 - Percentage of households successfully prevented from becoming homeless	Gwyrdd / Green		56.75%	55%	55%	-	-	Canolrif Uchaf / Upper Median
26) PAM/013 - Number of empty private properties brought back into use	Gwyrdd / Green	↑	24	16	75	75	-	Uchaf / Upper
27) PAM/014 - Number of new homes created as a result of bringing empty properties back into use	Gwyrdd / Green	↑	2	1	4	4	-	-
28) PAM/015 (PSR/002) - Average number of calendar days taken to deliver a Disabled Facilities Grant	Gwyrdd / Green	↑	156.4	175	175	177	238.8	Uchaf / Upper
29) PAM/037 - Average number of days to complete repairs	Gwyrdd / Green		11.96	12	12	-	-	-
30) PAM/038 - Landlord Services: Percentage of homes that meet the Welsh Housing Quality Standard (WHQS)	Gwyrdd / Green		100%	100%	100%	-	-	-
31) PAM/009 - Percentage of Year 11 leavers not in Education, Training or Employment (NEET) [Annual]	-		-	-	-	-	-	Isaf / Lower
32) PAM/032 - Average Capped 9 score for pupils in year 11 [Annual]	-		-	-	-	-	-	-
33) PAM/033 - Percentage of pupils assessed in Welsh at the end of the Foundation Phase [Annual]	-		-	-	-	-	-	-
34) PAM/034 - Percentage of year 11 pupils studying Welsh (first language) [Annual]	-		-	-	-	-	-	-
35) PAM/040 - Percentage of Quality Indicators (with targets) achieved by the library service [Annual]	-		-	-	-	-	-	-
36) PAM/024 (PM13a) - Percentage of adults satisfied with their care and support [Annual]	-		-	-	-	-	-	TBC Hydref / October
37) PAM/026 (PM15) - Percentage of carers that feel supported [Annual]	-		-	-	-	-	-	TBC Hydref / October
38) PAM/027 (PM13c) - Percentage of children satisfied with their care and support [Annual]	-		-	-	-	-	-	TBC Hydref / October
39) PAM/020 (THS/012a) - Percentage of A roads in poor condition [Annual]	-		-	-	3%	3.20%	2.30%	Canolrif Uchaf / Upper Median
40) PAM/021 (THS/012b) - Percentage of B roads in poor condition [Annual]	-		-	-	5%	4.40%	3.20%	Canolrif Uchaf / Upper Median
41) PAM/020 (THS/012c) - Percentage of C roads in poor condition [Annual]	-		-	-	10%	8.90%	10.10%	Canolrif Isaf / Lower Median
42) PAM/039 - Landlord Services: Percentage of rent lost due to properties being empty [Annual]	-		-	-	-	-	-	-

Attachment B

This document is contained within the quarterly scorecard monitoring report which is presented to the Corporate Scrutiny Committee and The Executive every quarter to provide a brief high-level update as to the status of work which is applicable and reports to both the -

- ***Partnerships, Communities & Service Improvement Transformation Programme Board and the;***
- ***Governance & Business Process Transformation Programme Board***

The key ragging for the said document is as follows –

RAG:

Completed

Project has been completed

On Track

Project is developing as expected and is on track

Behind Schedule

The Project needs key decisions / support

Late

The project is late and is falling behind expected timelines

White

The Project has not started to date

Partnerships, Communities & Service Improvement Transformation Programme Board		
Programme/Project	Related Projects	RAYG and brief Update
School Modernisation	Bro Rhosyr a Bro Aberffraw	The completion date for building Ysgol Santes Dwynwen at Newborough is March 2019. Ysgol Brynsiencyn adaptations underway during the Summer
	Llangefni Area	Ysgol Bodffordd, Ysgol Corn Hir and Ysgol Henblas The Executive decided to approve Option 2 namely to build a new school for Bodffordd and Corn Hir schools and to continue to maintain educational provision in Llangristiolus. Ysgol y Graig and Ysgol Talwrn It was resolved that the capacity of Ysgol y Graig be increased to accommodate pupils from Ysgol Talwrn, and that Ysgol Talwrn be closed.
	Seiriol + South East	The executive decided to approve Option 1, namely to refurbish and extend Ysgol Llandegfan, close Ysgol Beaumaris and refurbish and extend Ysgol Llangoed.
Adult Social Care -	Llangefni Extra Care	Good progress is being made with the construction work. The handover has slipped to the end of September with tenants being able to move in at the start of October.
	Amlwch Extra Care	An assessment is being undertaken by the Housing Service to look at housing needs more widely within the area that includes considering Extra Care
	South of the Island Extra Care	The Executive agreed that the Beaumaris School site is used to develop an Extra Care Housing scheme within the Seiriol area. Now that a decision has been agreed with regards to the future of Beaumaris School, the development of the site will be reviewed.
	Housing with Internal Support	The new aim of the project is to retain the service internally within the Council but to re-model in order to achieve financial savings.
	Housing with External Support	The aim of the project is to re-model and redesign the services in close consultation with the requirements of the Supporting People Programme.

	Re-tendering of Home Care Services	The tender work has been completed. New contracts in place by end Q1 2018/19 with a transition period thereafter.
Transformation of Libraries, Youth Services, Museums, Culture and Market Hall	Transformation of Museums and Culture	Melin Llynnon and Roundhouses – Advertised in a specialist magazine in June 2018 to try and attract a commercial bid for the site. Beaumaris Court and Goal – Work in partnership with Beaumaris Town Council to transfer the assets by October 2018
	Remodelling of Library Service	The process for restructuring the workforce to be in place by Q2 Work is continuing with transferring the community libraries to Beaumaris and Rhosneigr. Moelfre and Newborough Libraries have now been closed. Cemaes will remain open for the year after the local community agreed funding to continue the library provision over the short term
	Market Hall, Holyhead	Project is behind schedule and will now complete in December 2018. Financial matters relating to ERDF funding has delayed the project.
Gypsy Traveller sites		The Gypsy Traveller group to review the timeline for the project in Q1 18/19. Planning application for Star site been submitted and deferred by Planning Committee until later date for decision.
Increase levels of recycling		Please see Scorecard KPIs 16 + 17 for Q1 achievement
Flood alleviation work		Plan is on course to deliver flood alleviation works in Pentraeth, Beaumaris and Bodffordd during 2018/19.

Governance & Business Process Transformation Programme Board		
Programme/Project	Related Projects	RAYG and brief Update
Resource Plan – Northgate		Payslips – progressing well, remaining payslips to be transferred electronically during Q2 Web Recruitment – Slight technical issue arisen in Welsh version means roll-out delayed. Pilot and briefing sessions to managers successful.

		Mileage and Expenses – on track and progressing well.
Customer Service Excellence	Cyswllt Môn Expansion Programme / Face to Face Contact	Two pilot schemes have been agreed. Delays in library service re-structure resulted in delays starting the pilots. The Market Hall opening delay will allow for a more rounded pilot to take place in Amlwch later in the summer.
	Telephone Contact and Channel Shift	Each Contact Centre has gone live successfully without disruption to the public. There is an evidenced improvement in the number of missed calls in those services who have gone live (up to 80% reduction in dropped calls.)
	CRM	The Waste and Recycling Module has been implemented. Delays in getting the AD link and Telephony integration mean that the project is Red, plans are in place to remedy these delays.
	Improving Business Processes	Decision to concentrate efforts on the VOIDS. Process scoped, revised efforts on-going. Agreement to re-visit following the embedding of revised practise.
Energy Efficiency		Plan for 2018/19 presented to CTPB and being implemented. Further refit development work on-going to identify opportunities for future years.
Implementation of ICT Strategy		The Digital IT Strategy – ‘Digital Island’ has been approved and covers 2016-2020. Strategy being revised for re-adoption during Q2.
Scrutiny Improvement Plan		On track
Communication Strategy		Revised Communication Strategy being developed to be signed off in December 2018.

ISLE OF ANGLESEY COUNTY COUNCIL		
REPORT TO:	EXECUTIVE COMMITTEE	
DATE:	17 SEPTEMBER 2018	
SUBJECT:	MEDIUM TERM FINANCIAL PLAN 2019/20 – 2021/22	
PORTFOLIO HOLDER(S):	COUNCILLOR R WILLIAMS	
HEAD OF SERVICE:	MARC JONES – HEAD OF FUNCTION (RESOURCES) / SECTION 151 OFFICER	
REPORT AUTHOR:	MARC JONES	
TEL:	2601	
E-MAIL:	rmjfi@ynysmon.gov.uk	
LOCAL MEMBERS:	n/a	
A - Recommendation/s and reason/s		
<p>The Council is required to put in place a robust system to monitor and control its revenue budget and a key element of that system is a Medium Term Financial Plan. The plan sets out the Council's budget strategy over the next three year period and sets out the assumptions which will be taken forward to the annual budget setting process.</p> <p>The Executive is requested to note the contents of the plan, to approve the assumptions made and to consider how to bridge the funding gap identified in the report.</p>		
B - What other options did you consider and why did you reject them and/or opt for this option?		
N/A		
C - Why is this decision for the Executive?		
Paragraph 4.3.2.2.1 of the Council's Constitution requires the Executive to publish a pre-budget statement before 30 September each year.		
CH - Is this decision consistent with policy approved by the full Council?		
Yes		
D - Is this decision within the budget approved by the Council?		
N/A		
DD - Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	The final draft of the report was discussed and agreed at the SLT which was attended by the Chief Executive
2	Finance / Section 151 (mandatory)	n/a – this is the Section 151 Officer's report
3	Legal / Monitoring Officer (mandatory)	The final draft of the report was discussed and agreed at the SLT which was attended by the Monitoring Officer
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	

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

F - Appendices:
Appendix 1 - Medium Term Financial Plan Appendix 2 - Detailed 3 year estimate Appendix 3 - Plan Assumptions
FF - Background papers (please contact the author of the Report for any further information):

MEDIUM TERM FINANCIAL PLAN 2019/20 – 2021/22

1. INTRODUCTION

- 1.1 The Medium Term Financial Plan sets out the Council's likely resource requirement for the next three financial years and details how the Council plans to balance the resource requirement with the funding available.
- 1.2 Predicting the future is difficult in any circumstances but, at present, it is very difficult given the uncertainty over the economy, the implications of the referendum decision to leave the European Union and the impact of the recent relaxation by the UK Government on public spending and, in particular, spending on health and adult social care. This additional funding will result in increases in the funding allocated to the Welsh Government but what impact this will have on the funding for Welsh local government is not known at this point.
- 1.3 Following the change in 2017, the UK budget will be announced by the Chancellor in November 2018. In 2017, the Welsh Government announced the provisional local government settlement in October, prior to the UK budget, and it is expected that this timetable will again be followed in 2018.
- 1.4 The plan takes account of known changes and makes assumptions of the main factors that impact on the Council's revenue budget (pay costs, pensions, general inflation, Welsh Government funding, demographic and demand pressures). It also takes into account any budget pressures that result from the Council's Corporate Plan for 2017 – 2022.

2. THE COUNCIL'S CURRENT FINANCIAL POSITION

- 2.1 In February 2018, the Council set the following budget :-

Table 1
2018/19 Revenue Budget

	£'m
2017/18 Final Net Revenue Budget	126.157
Contractual and Other Committed Changes	0.877
Pay and Price Inflation	3.108
Transfer of Grants and New Responsibilities into the Settlement	2.618
Budget Pressures	0.707
Budget Savings	(2.522)
2018/19 Final Net Revenue Budget	130.945
Funded By	
Aggregate External Finance	95.812
Council Tax (including Premium)	35.133
Total Funding 2018/19	130.945

- 2.2 The aggregate external finance increased by 0.65% and the Council Tax increased by 4.8%.

- 2.3** In 2017/18, the net revenue budget was overspent by £1.704m, with the majority of the overspending relating to Looked After Children, School Transport, Out of County Education fees and Locum Legal staff. The audit of the final accounts has identified an additional £600k of income, which was not accounted for in the draft accounts and this has improved the overall position for 2017/18.
- 2.4** Although additional funding for Children's Services was included in the 2018/19 budget and action is being taken to try and reduce costs in both Children's Services and Education, these budget pressures continue and the forecast at the end of quarter 1 of 2018/19 is that the revenue budget will overspend again by £1.7m in 2018/19. Although this forecast is likely to change during the financial year, there is an underlying shortfall in the revenue budget which needs to be addressed in 2019/20.
- 2.5** The opening balance of general reserves as at 1 April 2018 is £6.952m. Decisions taken by the Executive has released £0.496m of these balances in 2018/19 and, if the forecasted overspend for 2018/19 is correct, the general reserves of the Council will fall by a further £1.7m during the year to give an estimated balance of £4.75m at 31 March 2019. This figure is below the minimum value of £6.5m (5% of the Council's 2018/19 net revenue budget) which was approved by the Executive in February 2018. This figure will be revised as part of the 2019/20 budget setting process but the expectation is that the actual level of general reserves will be below the recommended minimum value.
- 2.6** It is possible for the Council to operate with a balance of reserves below the recommended value, but the longer this situation continues, the greater the risk is to the Council that it will not be in a position to fund any unexpected expenditure or future overspending should they arise. The reduction in the level of general reserves over the past two financial years also limits the Council's ability to use reserves as a source of short term funding to balance the budget. It will be necessary in future years to budget for a surplus in order that the level of the general reserves increase back to the recommended value over time. This will be a further financial pressure for the Council.
- 2.7** Earmarked reserves, which are maintained by the Council to fund one off committed projects, to fund anticipated future costs (e.g. uninsured losses) and unutilised grant funding stood at £11.9m at 31 March 2018, a fall of £1.45m during the year. Although it is possible to transfer some of these reserves back to the general balances e.g. for committed projects which are not progressing, the scope is limited and will not increase the level of general balances significantly.
- 2.8** School balances continue to be one of the highest in Wales but they did fall in 2017/18 by £220k to £1.87m. As the pressure on school budgets increases, a number of schools are planning to utilise their reserves in 2018/19 to try and maintain staffing levels. It is, therefore, expected that the balances will fall again during 2018/19.
- 2.9** The 2018/19 revenue budget included a further round of savings amounting to £2.522m, this takes the total value of savings identified by the Council since 2013/14 to £21.88m. Comparing the amount of savings each service has contributed is difficult as a number of other factors change the budgets for each service over time, these include: the transfer of service elements between 2 main services, grants and new responsibilities which transfer into or out of a service, the impact of job evaluation and any additional funding that has been allocated to a service to meet committed changes or budget pressures. However, a comparison of the total savings each service has contributed to the 2018/19 budget does indicate which services have borne the brunt of the budget reductions. This comparison is shown in Table 2 below:-

Table 2
Savings per Service 2013/14 to 2018/19 Compared to 2018/19 Net Revenue Budget

Service	Total Savings 2013/14 to 2018/19 £'000	2018/19 Budget £'000	2013/14 to 2018/19 Savings as % of 2018/19 Budget
Schools	2,014	34,978	5.8%
Central Education and Youth	2,174	12,232	17.8%
Libraries, Culture & Heritage	415	1,302	31.8%
Adult Services	3,412	24,568	13.9%
Children's Services	862	8,160	10.6%
Leisure, Maritime & Economic Development	1,259	1,728	72.9%
Housing	459	912	50.3%
Highways, Waste & Property	6,157	14,664	42.0%
Regulation	882	1,966	44.8%
Council Business	327	1,485	22.0%
Resources	583	2,763	21.1%
Transformation	721	4,461	16.2%
Corporate Budgets	2,483	21,726	11.4%
Total	21,748	130,945	16.6%

2.10 The table above shows that some level of protection has been afforded to Schools, Adult Services and Children's Services with the other front line services providing the greatest proportion of the savings in relation to their net budgets.

3 THE UK ECONOMIC OUTLOOK AND BUDGET

3.1 Although the Council's central funding comes from the Welsh Government, the UK Government provides the Welsh Government with its entire funding and what is happening with the UK economy and budget impacts directly on the Welsh Government and local government funding and an assessment of the UK situation is an important element of the Medium Term Financial Plan.

3.2 A large amount of uncertainty still remains in respect of the UK economy and much will depend on the terms of the UK's departure from the European Union (Brexit). A no deal Brexit will almost certainly reduce economic growth in the short term which will impact on tax revenues and levels of public sector borrowing. The Government may fund any increase in the public sector deficit that is a consequence of a no deal Brexit through increased borrowing or they may aim to reduce public sector spending even further.

3.3 The Spring Budget Statement suggests some relaxation in the austerity programme and, although the deficit for 2017/18 was lower than forecast, it is still estimated to be £34bn in 2019/20 and the Government now intends to eliminate the deficit by the mid 2020s compared to its plan in March 2016 of having a budget surplus of £10bn by 2020. The latest forecast for 2018/19 estimates that borrowing will be £23.7bn compared to an estimate of £37bn in the Spring Budget Statement.

3.4 Further evidence of the relaxation in the austerity programme has arisen since the Spring Budget Statement. In June 2018, the Government announced annual average increases (above inflation) of 3.4% in the NHS budget in England. This will increase the budget by £20bn in real terms by 2023. This increase in funding will lead to a consequential increase in funding through the Barnett formula for Wales.

- 3.5** The Government has relaxed its 1% pay cap for public sector workers, with increases of between 2% and 3.5% announced in July 2018 for nurses, doctors, police officers, teachers and civil servants, although Government Departments were expected to fund these increases from existing budgets. Increases in teachers and other local government workers pay has a major impact on the Council's costs, the current pay bill for the Council is in excess of £70m. If the Council receives no additional funding to meet these additional costs, it will increase the level of savings which the Council has to find in order to achieve a balanced budget.
- 3.6** The current level of inflation (CPI) is 2.5% which above the target of 2%, but the rate is expected to continue to fall during 2018 and to remain fairly constant around the 2% target in 2019/20.
- 3.7** In August 2018, the bank base rate rose from 0.5% to 0.75%, which is its highest level since the banking crisis in 2008. Further small rises are forecast during 2019 and 2020, but much will depend on the impact of Brexit on the economy. Increases in interest rates do not have any significant impact on the cost of the Council's current borrowing as the majority of loans have a fixed interest rate, however, the increase will make future borrowing more expensive. The returns which the Council makes on its investments will also increase slightly as interest rates rise.

4 WELSH GOVERNMENT BUDGET

- 4.1** Since the commencement of the austerity programme in 2010/11, the Welsh Government's budget has fallen by 11% and spending on local government in Wales has fallen by 18% in real terms compared to a 16% increase in health spending over the same period. The Health budget now forms 49% of the total Welsh Government budget compared to 42% in 2011/12, whilst the Local Government budget has fallen from 30% of the total Welsh Government budget to 28% over the same period.
- 4.2** As part of the 2018/19 budget settlement, the Welsh Government initially announced that the indicative settlement for 2019/20 would see a reduction of 1.5% in local government funding. Following on from the final budget settlement, this position was reviewed and the current indication is that the local government settlement will reduce by 1% in 2019/20.
- 4.3** The UK Government's announcement of an additional £20bn for the NHS in England by 2023 will result in the Welsh Government's budget increasing by £1.37bn over the same period. For 2019/20, it will result in an additional £370m for Wales. As Health funding is a delegated function, it is for the Welsh Government to decide how much of this additional funding is allocated to the Health Service and whether any of the funding finds its way into the local government settlement.
- 4.4** Prior to the announcement of the additional funding for the NHS in England, the Welsh Government had announced that the Health budget would increase by 3.1% in 2019/20. If all the additional funding of £370m was also directed to the Health service in Wales, this would amount to an 8.5% cash increase in the Health budget. The Welsh Local Government Association are currently lobbying Welsh Government to direct some of this additional funding to Local Government in 2019/20.
- 4.5** If no additional funding is forthcoming and the Aggregate External Finance (AEF) is reduced by 1%, this would result in a reduction of £900k in Anglesey's AEF. This would require an increase of 2.6% in Council Tax to make up the shortfall.

5 NATIONAL AND LOCAL BUDGET PRESSURES

- 5.1** Local Government generally is facing a number of budget pressures and, in addition, Anglesey will also face its own unique budget pressures and these have to be factored into the Medium Term Financial Plan.

i. National Living Wage

The continued increase in the national living wage has resulted in a requirement to increase the lowest pay points of the NJC pay scale significantly above the pay award. e.g. the lowest of the Council's pay points increased by 8% in 2018/19 and will increase by a further 7.1% in 2019/20. The consequence of these increases is that the differential between these lowest pay points and pay points higher up the scale have diminished. As part of the agreed pay award for 2019/20, the entire pay scale has been restructured. The headline increase is 2%, but the adjustments to the lower end of the pay scale makes the increase in the overall pay bill for non-teaching staff higher than 2%. Based on the current staffing structure, it is estimated that the 2019/20 will increase costs by 3%.

ii. Teachers Pay Award

The teachers' pay award for September 2018 to August 2019 has recently been announced. Although the headline figure was 3.5%, the increase for those on higher scales was set at 1.5% and 2%. If it is assumed that the pay award in September 2019 will be 2% on average, this gives an overall inflationary increase of 2% for 2019/20 based on the current staffing structure.

iii. Teachers Pensions

The triennial valuation of the teachers' pension scheme is due to take place in 2018 and the new employer's contribution rate will come into effect in April 2019. There is an expectation that it will rise from its current 16.48% to possibly 18% or even higher. Each 1% increase will increase the Council's employer contribution costs by approximately £200k (6%).

iv. Fire Service Levy

The North Wales Fire and Rescue Authority sets a levy each year with the cost being allocated amongst the 6 North Wales authorities on the basis of population. The increase in the levy is set by the Fire Authority, which is made up of representatives from the 6 authorities. The levy then becomes a cost which the Council incorporates into its budget. For 2018/19, the total levy set by the Fire Authority was £33.49m, which is 14% higher than the notional sum included in the Standard Spending Assessment for the North Wales authorities. The Fire Authority is currently consulting on increasing the levy by 5.7% in 2019/20. If implemented, this would increase the levy for Anglesey by £190k and widen the gap between the actual levy and the sum identified in the Standard Spending Assessment.

v. Looked After Children

The demand for services continues to rise and this, combined with a shortage of suitable placements, particularly on Anglesey, has placed the looked after children budget under considerable pressure. The Council allocated an additional £265k to this budget in 2018/19 and this, along with action taken by the Service, has reduced the overspend from £1.7m in 2017/18 to a forecasted £1.3m in 2018/19. Although further changes to be implemented during 2018/19 may reduce the level of overspend further, the budget has failed to be increased in line with the increased demand and this must be addressed in 2019/20. The medium term financial plan allows for increases of £1.1m in 2019/20 with further increases of £250k in 2020/21 and 2021/22.

vi. Non School Education Budgets

Increasing demand for school transport is a major concern within the Education budget with the overspend for 2018/19 estimated to be in excess of £300k. New contracts will be procured over the coming months and this may deliver some savings but, again, this underlying shortfall in the budget has to be addressed in the 2019/20 budget.

vii. Canolfan Addysg Y Bont

Prior to the opening of the new school, the capacity of the school was limited and pupil numbers remained constant and, as a result, the budget process did not allow for changes in pupil numbers. Since the opening of the new school, pupil numbers have begun to increase and this resulted in an additional £73k being allocated to the special school's budget in 2018/19. Pupil numbers at the school are forecast to increase by a further 15 in 2019/20 and 17 in 2020/21. The additional cost of each pupil is in the region of £13k and the increase in pupil numbers will increase teaching, care and support costs by £195k in 2019/20 and £220k in 2020/21. These additional costs have been allowed for in the Medium Term Financial Plan, although they will be subject to review prior to setting the 2019/20 budget.

viii. Adult Social Care

As the population lives longer, the demand for adult social care services increases. It is estimated that, by 2035, the number of people living in Wales over 65 will increase by 35% and the numbers over 85 will increase by 113%. A study undertaken for Wales Public Services found that demand pressures equates to a growth of 2.9% each year. The service is currently managing demand and maintaining costs within budget but this situation may not be sustainable.

ix. 21st Century School Modernisation

The cost of building new schools under the modernisation programme is funded 50% by Welsh Government grant and supported borrowing and 50% by means of unsupported borrowing. The unsupported borrowing element impacts on the revenue budget in the form of the minimum revenue provision (MRP) and interest charges. The 2 new schools built to date generate revenue savings which can be used to fund the MRP and interest charges. However, as the Council moves forward with the remainder of the Band A and the Band B projects, initial indications are that the potential savings will not meet the full cost of the MRP and interest charges. This, in turn, creates a revenue budget pressure.

x. Reduction in Specific Grants

The Council continues to receive a number of revenue grants to fund services, with 6 main grants being received (Supporting People grant, Bus Services Support grant, Education Improvement grant, Pupil Deprivation grant, Post 16 Education grant, Environment Single Revenue grant). In 2018/19, significant cuts were made to the Education Improvement Grant and the Environment Single Revenue Grant. Given that the provision of the services funded by grants is integrated into the services funded by the Council's core budgets, it is difficult for the Council to reduce the services initiated when the grant commenced. As a result, the Council has to make up the difference in order for the service to continue to be provided at the same level.

xi. Major Service Contracts

During the next 3 years, the Council will have to re-tender the contract for the provision of school meals and the collection of domestic waste and street cleaning. The Services have indicated that it is likely that the cost of the new contracts will be higher than the existing costs, although it is extremely difficult to determine the actual increase until the procurement exercise is undertaken. The Medium Term Financial Plan takes into account the potential for an increase in these contract values.

xii. Miscellaneous Budget Pressures

Each year, the Council's budget includes a number of adjustments (committed changes) which reflect decisions made by the Executive during the previous year, increases in costs due to contractual commitments or incremental drift. The Medium Term Financial Plan does allow for these changes but they will be finalised when the initial budget for 2019/20 is considered by the Executive.

xiii. General Price Inflation

Annual budgets are inflated to take account of general or specific inflation. The consumer price index is used as the main inflation factor and this is expected to remain at or around 2% for the foreseeable future. Contracts invariably have a method of calculating annual inflation built into the contract which is based on the consumer price index, the retail price index or an index specific to the industry. Retail price index historically has been between 0.8% and 1% higher than the consumer prices index. The budget process takes account of these different inflation factors.

6 INCOME

6.1 The Council's current income budget (excluding RSG, NDR and Council Tax) currently amounts to £30.6m, which is made up of grants and reimbursements from public bodies £17.8m, fees and charges set by statute or regulated by the Government or a long term rental agreement £7.5m and fees and charges where the Council has the discretion to set the fee or charge £5.2m.

6.2 It has been the Council's policy over recent years (prior to 2017/18) to increase the discretionary fees and charges by 5% each year. It is becoming increasingly more difficult to continue with this policy with inflation much lower than 5% and, in particular, for those services where the Council is competing with the private sector e.g. Leisure. In 2017/18 and 2018/19, non-statutory fees were increased by 3% and, from 2019/20, the assumption is that non-statutory fees will be increased at 3% per annum or CPI, whichever is the higher.

7 PROJECTED STANDSTILL BUDGET FOR 2019/20 – 2021/22

7.1 Taking into account all the known budget pressures and the inflationary and other assumptions, it is possible to determine a standstill budget for the period 2019/20 to 2021/22. The standstill budget being the revised costs of continuing to provide services to the same level, delivered in the same way as they are delivered in 2018/19. The estimated standstill budget for the next three year period is shown in Table 3 below:-

Table 3
Projected Standstill Budget 2019/20 to 2021/22

	2019/20 £'m	2020/21 £'m	2021/22 £'m
Previous Year Final Budget	130.94	136.72	140.63
One Off Costs and Contingencies falling out of the budget	(0.14)	(0.22)	-
New Budget Pressures	0.22	-	-
Pay Inflation, Pension Costs and Incremental Drift	2.55	1.73	1.71
Main Council Contracts – Inflation and Volume Changes	0.77	0.92	1.10
Changes in Demand Led Services	1.38	0.59	0.38
Non Pay Inflation	0.73	0.74	0.74
Levies	0.19	0.07	0.07
Council Tax Reduction Scheme	0.27	0.39	0.42
Income Increases	(0.69)	(0.71)	(0.70)
Capital Financing Costs	0.50	0.40	0.53
Estimated Standstill Budget	136.72	140.63	144.87

- 7.2 The estimated standstill budget represents a cash increase of 10.7% over the 3 year period.
- 7.3 More detail on the standstill budget and the assumptions that support the plan are attached as Appendix 2 and 3.

8 AGGREGATE EXTERNAL FINANCE AND COUNCIL TAX

- 8.1 The estimated standstill budget is funded from the level of aggregate external finance (AEF) received from the Welsh Government (Revenue Support Grant and NDR Pool Funding) and from the Council Tax raised locally.
- 8.2 As stated in paragraph 4 above, the situation regarding the local government settlement for 2019/20 is unclear and the position for 2020/21 and 2021/22 is even more difficult to predict. The only indication that has been received from Welsh Government is that the AEF will fall by 1% in total across Wales. A number of factors feed into the Revenue Support Grant formula and individual Council's allocations may be above or below this 1% figure.
- 8.3 The Welsh Local Government Association (WLGA)'s assessment that the additional funding for Wales arising from the additional funding for the NHS in England will be :-

2019/20 - £370m, 2020/21 - £180m, 2021/22 - £250m, 2022/23 - £260m, 2023/24 - £310m.

The Welsh Government had indicated that it would allocate an additional 3.1% to the NHS in Wales in 2019/20 prior to the announcement of the additional funding. If all of the additional funding was allocated to the NHS in Wales, this would amount to an increase of 8.5% in cash terms. Limiting the total cash increase to 5% would release £240m of the additional funding for other services. At present, we have no indication as to whether the Welsh Government will follow what the WLGA are advocating. For the purposes of the Medium Term Financial Plan, the assumption remains as a 1% reduction in AEF in 2019/20 followed by 2 years with no change in the settlement. As a result, the Council will have to fund all the inflationary and demand pressures listed in Table 3 from savings in existing budgets and an increase in the Council Tax.

- 8.4 Over the past 3 years, the level of increase in Council Tax has ranged between 2.5% and 4.8%, which is higher than inflation but has been necessary to partly make up for the reduction in AEF. The Band D charge for 2018/19 is £1,140, which is the 5th lowest in Wales, is £30 (2.63%) below the notional amount set in the Standard Spending Assessment, £101 (8.85%) below the Welsh Average and £48 (4.2%) below the average for the 6 North Wales Authorities.
- 8.5 For the purposes of the plan, it is assumed that Council Tax will increase by 5% in each of the three years. Based on these assumptions, the estimated total funding would be as shown in Table 4 below:-

Table 4
Estimated Council Funding – 2019/20 to 2021/22

	2019/20 £m	2020/21 £m	2021/22 £m
AEF Brought Fwd	95.81	94.85	94.85
Council Tax Brought Fwd	35.13	36.89	38.74
Total Funding Brought Fwd	130.94	131.74	133.59
In year change in AEF	(0.96)	-	-
In Year change in Council Tax	1.76	1.85	1.94
Total Funding Carried Fwd	131.74	133.59	135.53

9 BRIDGING THE FUNDING GAP

- 9.1 The funding gap is the difference between the estimated standstill budget (Table 3) and the estimated funding available (Table 4). This is summarised in Table 5 below:-

Table 5
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)
Revised Standstill Budget	136.72	135.65	137.83
Estimated Funding	131.74	133.59	135.53
Annual Savings Requirement	4.98	2.06	2.30
% Savings Requirement	3.64%	1.51%	1.67%

Note – The savings brought forward figure is a cumulative figure of the previous year(s) annual savings requirement.

- 9.2 In reality, there are a number of budgets included in the standstill budgets which cannot be reduced or are very difficult to reduce, these include :-

Fire Authority Levy - £3.36m in 2018/19;
Capital Financing Costs - £7.51m in 2018/19;
Council Tax Reduction Scheme - £5.32m in 2018/19;
Historic Pension Costs - £1.05m in 2018/19;
General and Specific Contingencies - £1.14m in 2018/19.

It will, therefore, be necessary to find the required savings of £9.34m over 3 years from service budgets, totalling £112.56m (2018/19 budget). This equates to savings of 8.3% over 3 years.

- 9.3 The Council's efficiency strategy in previous years has been to reduce service budgets by requesting services to review existing budgets and to reduce the overall net budget by:-

- Deleting unused budget headings;
- Reducing staffing costs through restructuring and voluntary redundancies;
- Increasing fees and charges in excess of the rate of inflation;
- Identifying new sources of income;
- Reducing administration costs through investment in information technology;
- Reducing costs through better procurement of goods and services;
- Stopping grants to the voluntary / third sector;
- Reducing the sums invested in the maintenance of assets;
- Rationalising Office space, thereby reducing office accommodation costs.

- 9.4 The strategy has been successful and the Council has been able to set a balanced budget each year without having to rely on the use of general balances. This has also been achieved whilst still protecting the budgets for Schools and Social Services.

- 9.5 However, as we move into the next three years, the scope to generate the required level of savings by these methods alone is considerably less, revenue budgets are overspending and the level of general balances has fallen below an acceptable level. The Council must now change its strategy in order to continue to deliver the required savings. The areas which will require action include:-

- Seeking to transfer the provision of some services away from the Council to Town & Community Councils, the third sector, voluntary community groups or private individuals.
- Creating other bodies controlled by the Council to deliver services – trusts, local authority trading companies. Services that can be transferred include leisure centres and Oriel Ynys Môn.
- Modernising schools and reviewing the future of small schools under 120 pupils.
- Reviewing the number of secondary schools and how post 16 education is provided on Anglesey.
- Managing the demand for social care services and reducing the support given to those people who are less in need.
- Providing more care to the elderly at home or in extra care facilities. This will reduce the number of placements in residential homes and will lead to a review as to whether the Council continues to operate residential care homes or purchases the service provision entirely from the private sector.
- Increasing the charges made to service users both for statutory and non-statutory services.
- Stopping the provision of some non-statutory services.
- Continue to modernise the administration of services and expect the public to undertake more transactions with the Council on line or via AppMôn.
- Deciding on whether having the 5th lowest Council Tax in Wales is sustainable. It may be necessary to increase Council Tax levels above the 5% assumption in order to generate sufficient funding to balance the revenue budget.

9.6 Achieving a balanced budget over the next 3 years by following the actions set out in paragraph 9.5 will require difficult decisions to be made and there are a number of risks which may prevent the Council in delivering all of these actions. These include:-

- A continued increase in the demand for services.
- An expectation from the public that the Council will continue to provide services to the same level that it has previously done.
- Welsh Government assesses service delivery and still expects service improvements.
- Public opinion against above inflation increases in Council Tax, particularly if the range of services provided is reducing – paying more for less.
- Strong resistance from communities and Members to the closure of facilities in their areas. The Council has already seen this during the process to modernise schools on the Island with communities campaigning to keep Ysgol Talwrn, Ysgol Bodffordd and Ysgol Biwmares open.
- The capacity to deliver change within the Council. As management structures have been reviewed and reduced, the numbers of experienced staff have reduced and this makes it more difficult for the remaining staff to manage the existing services whilst implementing significant changes.
- Difficulties in finding willing partners which the Council can outsource services to. Difficulties have already been experienced in outsourcing small services, such as cultural assets and public conveniences.

10 CONCLUSIONS

- 10.1** The future funding of Local Government in Wales is very uncertain at the present time and accurately forecasting future funding levels is difficult.
- 10.2** 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 shown in Table 5. Significant cuts to budgets will still need to take place over the next 3 years.
- 10.3** The budget cuts will have to come from changes in the way the Council delivers services and a reduction in the services it delivers. Attempting to deliver the services currently provided with significant reductions in funding will lead to the continued overspending of budgets, further reductions in the level of general balances and a significant risk to the financial viability of the Council. Difficult and unpopular decisions will have to be taken in order that the Council delivers a balanced budget, which accurately reflects the costs of running the services it provides.

<u>Revenue Expenditure</u>	2018/19	2019/20	2020/21	2022/23
	£'000	£'000	£'000	£'000
Delegated Schools Budgets				
Teachers Pay	20,300,870	20,742,492	21,213,139	21,672,788
Non Teaching Pay	3,534,520	3,650,289	3,729,518	3,810,330
National Insurance	2,561,430	2,617,151	2,673,956	2,731,895
Teachers Pensions	3,250,010	3,719,073	3,799,795	3,882,129
Non Teaching Pensions	486,460	502,393	513,298	524,420
Cleaning	843,940	870,102	887,504	905,254
Energy	1,219,470	1,269,468	1,321,516	1,374,377
NDR	857,490	883,215	909,711	935,183
Other non staff related expenditure	4,279,710	4,369,584	4,461,345	4,550,572
Pupil Number Adjustment	-	213,900	511,200	602,900
Funded by Education Reserves	-	-	-	-
Total Delegated Schools Budgets	37,333,900	38,837,668	40,020,983	40,989,849
Non School Staffing Costs				
Teachers Pay	556,370	568,473	580,812	593,397
Non Teaching Pay	32,625,550	33,694,162	34,425,490	35,171,424
National Insurance	2,876,460	2,970,675	3,035,153	3,100,919
Teachers Pensions	92,840	106,239	108,545	110,897
Superannuation Pension Contributions	5,538,450	5,719,856	5,844,004	5,970,633
Car Allowances	636,260	636,260	668,073	668,073
Historic Pension Costs	1,054,680	1,087,375	1,109,123	1,131,305
Other Staff Costs	1,648,570	1,683,190	1,718,537	1,752,908
Apprenticeship Levy	333,300	344,217	351,688	359,308
Total Staffing Costs	45,362,480	46,810,448	47,841,425	48,858,865
One Off Costs				
Haulfre	95,000	95,000	95,000	95,000
Stem (4 years 2018/19 to 2021/22)	37,500	37,500	37,500	37,500
Regional Growth Bid	50,000	50,000	50,000	50,000
Edge of Care Team	240,000	-	-	-
Total One Off Costs	422,500	182,500	182,500	182,500
Main Council Contracts				
Refuse Collection	4,037,420	4,122,206	4,208,772	4,713,825
Refuse Disposal	1,699,360	1,701,059	1,702,760	1,702,760
Landfill Tax	17,970	18,150	18,331	18,478
Highway Maintenance	4,221,190	4,309,835	4,400,342	4,488,348
School Meals	2,156,620	2,201,909	2,468,340	2,517,707
School Transport	2,502,960	2,555,522	2,609,188	2,661,372
Public Service Bus Contracts	1,906,060	1,946,087	1,986,955	2,026,694
Education Joint Services	3,162,640	3,323,935	3,393,737	3,461,612
Residential Placements	7,425,560	7,648,327	7,877,777	8,098,354
Homecare Contracts	3,566,130	3,641,019	3,717,480	3,791,830
Total Main Council Contracts Costs	30,695,910	31,468,048	32,383,683	33,480,980

Revenue Expenditure	2018/19	2019/20	2020/21	2022/23
	£'000	£'000	£'000	£'000
Other Demand Led Services				
Children's Placements	3,864,230	4,911,436	5,112,805	5,317,317
Out of County School Placements	982,520	1,052,279	1,095,422	1,139,239
Supported Living	1,312,040	1,339,593	1,367,724	1,395,079
Homelessness	383,740	399,473	415,852	432,486
Total Demand Led Services	6,542,530	7,702,781	7,991,804	8,284,121
Other Council Expenditure				
NDR	1,008,200	1,038,446	1,069,599	1,099,548
Energy	1,104,940	1,150,243	1,197,402	1,245,299
Premises Costs Non Schools	2,950,154	3,012,107	3,075,361	3,136,869
Transport Costs	228,812	233,617	238,523	243,293
Supplies and Services	18,946,804	19,344,687	19,750,925	20,145,944
Members Allowances	686,700	707,988	722,147	736,590
Fire Service Levy	3,356,173	3,546,468	3,617,397	3,689,745
Other Levies	4,154	4,154	4,154	4,154
Council Tax Reduction Scheme	5,320,867	5,586,910	5,977,994	6,396,454
HRA Recharge	- 38,050	- 57,830	- 70,986	- 84,406
Contingencies	659,166	659,166	659,166	659,166
NDR Discretionary Rate Relief	60,000	60,000	60,000	60,000
Capital Financing Costs - MRP	3,036,380	3,265,540	3,437,882	3,667,144
Capital Financing Costs - Interest	4,475,082	4,752,210	4,979,240	5,278,582
Total Other Council Expenditure	41,199,382	42,703,706	44,118,806	45,678,382
Potential Budget Pressures				
Waste Contract Tender - Project Management		200,000		
Additional Teachers Pay Inflation 2018/19		20,000		
Salary & Grading Contingency		100,000	100,000	100,000
Total Potential Budget Pressures	-	320,000	100,000	100,000
TOTAL GROSS EXPENDITURE	161,556,702	68,025,152	172,639,201	177,574,697
Income				
Grants / Public Bodies Reimbursements	- 17,816,550	- 18,190,698	- 18,572,702	- 18,944,156
Statutory Income	- 7,513,770	- 7,671,559	- 7,832,662	7,989,315
Non Statutory Income	- 5,281,170	- 5,439,605	- 5,602,793	- 5,770,877
Total Income	- 30,611,490	- 31,301,862	- 32,008,157	- 32,704,348
TOTAL NET EXPENDITURE	130,945,212	136,723,290	140,631,044	144,870,348
Savings Brought Forward from Previous Year	-	-	- 4,979,528	- 7,042,779
REVISED TOTAL NET EXPENDITURE	130,945,212	136,723,290	135,651,516	137,827,569

Funded By:

Revenue Support Grant	- 73,237,638	- 72,505,262	- 72,505,262	- 72,505,262
Non Domestic Rates	- 22,574,199	- 22,348,457	- 22,348,457	- 22,348,457
Council Tax	- 35,133,375	- 36,890,044	- 38,734,546	- 40,671,273
TOTAL FUNDING	- 130,945,212	-131,743,762	- 133,588,265	- 135,524,992
Savings Required	-	4,979,528	2,063,252	2,302,577

MEDIUM TERM FINANCIAL PLAN ASSUMPTIONS

	2019/20	Final 2020/21	2021/22
Teachers Pay Award	2.0%	2.0%	2.0%
Teachers Pension	12.3%	0.0%	0.0%
NI Rates	0.0%	0.0%	0.0%
Non Teaching Pay Award	3.1%	2.0%	2.0%
Non Teaching Pension	0.0%	0.0%	0.0%
Staff Turnover Adjustment	0.0%	0.0%	0.0%
Incremental Drift	0.2%	0.2%	0.2%
Car Allowance Inflation	0.0%	5.0%	0.0%
CPI	2.1%	2.1%	2.0%
RPI	3.0%	3.0%	2.8%
Energy Inflation	4.1%	4.1%	4.0%
Non Statutory Income	3.0%	3.0%	3.0%
Children's Placement Caseload	25.0%	2.0%	2.0%
Out of County School Placements	5.0%	2.0%	2.0%
Homelessness Caseload	2.0%	2.0%	2.0%
Education Joint Services	3.0%	0.0%	0.0%
Refuse Disposal Tonnage	-2.0%	-2.0%	-2.0%
CTRS Caseload	0.0%	2.0%	2.0%
Interest Rates Increase	0.3%	0.3%	0.3%
Fire Levy	5.7%	2.0%	2.0%
Other Levies	0.0%	0.0%	0.0%
AEF Projections	-1.0%	0.0%	0.0%
Council Tax Increase	5.0%	5.0%	5.0%
Refuse Collection	2.1%	2.1%	12.0%
Refuse Disposal	2.1%	2.1%	2.0%
Landfill Tax	3.0%	3.0%	2.8%
Highway Maintenance	2.1%	2.1%	2.0%
School Meals	2.1%	12.1%	2.0%
School Transport	2.1%	2.1%	2.0%
Public Service Bus Contracts	2.1%	2.1%	2.0%
MRP	7.5%	5.3%	6.7%
Interest on Additional Loans	5.9%	4.5%	5.8%

ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	EXECUTIVE COMMITTEE
DATE:	17 SEPTEMBER 2018
SUBJECT:	REVENUE BUDGET MONITORING, QUARTER 1 2018/19
PORTFOLIO HOLDER(S):	COUNCILLOR ROBIN WYN WILLIAMS
HEAD OF SERVICE:	MARC JONES
REPORT AUTHOR:	BETHAN HUGHES-OWEN/CLAIRE KLIMASZEWSKI
TEL:	01248 752663
E-MAIL:	bhofi@ynysmon.gov.uk ; clkfi@ynysmon.gov.uk
LOCAL MEMBERS:	n/a
A - Recommendation/s and reason/s	
<ol style="list-style-type: none"> 1. In February 2018, the Council set a net budget for 2018/19 with net service expenditure of £130.870m to be funded from Council Tax income, NDR and general grants. An additional £0.075m was approved for expenditure on unplanned items as contingencies. The budget for the Council Tax Premium was reduced subsequently by £0.045m. The total budget for 2018/19 is, therefore, £130.900m. 2. The budget for 2018/19 included required savings of £2.522m. These have been incorporated into the individual service budgets and achievement or non-achievement of these is reflected in the net (under)/overspends shown. While significant savings were once more required to balance the budget, £0.707m of additional budget was allocated for additional budget pressures. 3. This report sets out the financial performance of the Council's services at the end of Quarter 1, which relates to the period 1 April 2018 to 30 June 2018. The projected position for the year as a whole is also summarised. 4. The overall projected financial position for 2018/19, including Corporate Finance and the Council Tax fund, is an overspend of £1.744m. This is 1.33% of the Council's net budget for 2018/19. This is due to similar budget pressures experienced in 2017/18, the most significant of which is the cost of statutory children's services. 5. It is recommended that:- <ol style="list-style-type: none"> (i) To note the position set out in appendices A and B in respect of the Authority's financial performance to date and expected outturn for 2018/19; (ii) To note the summary of Contingency budgets for 2018/19 detailed in Appendix C; (iii) To note the position of the invest to save programmes in Appendix CH; (iv) To note the position of the efficiency savings for 2018/19 in Appendix D; (v) To note the monitoring of agency and consultancy costs for 2018/19 in Appendices DD and E; (vi) To discuss, recommend and agree an option for the use of the windfall VAT refund of approximately £800k. Examples of options include: crediting revenue so that the general reserve will improve by £800k, crediting an earmarked reserve to invest in the Leisure Centres or a combination of these at an agreed value for each. 	
B - What other options did you consider and why did you reject them and/or opt for this option?	
n/a	

C - Why is this a decision for the Executive?		
This matter is delegated to the Executive.		
CH - Is this decision consistent with policy approved by the full Council?		
Yes		
D - Is this decision within the budget approved by the Council?		
Yes		
DD - Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	
2	Finance / Section 151 (mandatory)	n/a – this is the Section 151 Officer’s report
3	Legal / Monitoring Officer (mandatory)	TBC
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	
E - Risks and any mitigation (if relevant)		
1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	
F - Appendices:		
<ul style="list-style-type: none"> • Appendix A - Revenue Budget Monitoring Report – Quarter 1, 2018/19 • Appendix B – Table of Forecast Revenue Outturn 2018/19 • Appendix C – Summary of Contingency Budgets 2018/19 • Appendix CH – Review of the Invest-to-Save projects 2018/19 • Appendix D - Review of Efficiency Savings 2018/19 • Appendix DD - Information regarding monitoring of Agency Staff 2018/19 • Appendix E - Information regarding monitoring of Consultants 		
FF - Background papers (please contact the author of the Report for any further information):		
<ul style="list-style-type: none"> • 2018/19 Revenue Budget (as recommended by this Committee on 19 February 2018 and adopted by the County Council on 28 February 2018). 		

REVENUE BUDGET MONITORING – QUARTER 1 2018/19

1. General Balance

The Council had £9.466m of earmarked reserves and school reserves amounting to £1.869m at the start of the financial year. The draft outturn for 2017/18 resulted in general balances at the start of the current financial year of £6.352m. During the audit period, the Accountancy Technical team identified that a net credit of approximately £0.600m is due to be credited to revenue in relation to Benefits overpayments income and Council Tax bad debt provision changes. This will increase the general balance to £6.952m. This may be subject to change with any post-audit adjustments. In addition, in August 2018 HMRC accepted the Council's claim for a refund of VAT paid over to HMRC on Leisure Services. This amounts to approximately £800k net of costs for the Council. A legal judgement made in November 2017 deemed that VAT should not be charged on Leisure Services income hence the refund dating back to 2012. This is not shown in the general balance below as the Executive is asked to discuss and agree how this income should be used. Examples of options include: it increases the general reserve, the creation of an earmarked reserve to invest in the Leisure Centres or a combination of these at agreed amounts. Investment in the Leisure centres would increase their income generation capability in the future.

The Executive approved the following items to be funded in 2018/19 from the General Reserve:-

Executive Meeting	Amount £000	Purpose
Draft opening balance	-6,952	Subject to Audit.
6 November 2017	125	To fund the Energy Island team.
30 April 2018	42	A budget to fund the costs of operating Melin Llynnon for 2018, to be funded from General Reserve.
21 May 2018	268	For this funding to be released from the Council's reserves to fund experienced agency social workers for 12 months to support and mentor 7 newly qualified social workers.
Section 151 Officer's Delegated Powers	24	Virement to Capital Reserve for Mill Bank Car Park.
Revised Council Fund General Balance	-6,493	As mentioned above, this may change following any post-audit adjustments.

The current predicted outturn for 2018/19 is an estimated overspend of £1.744m. If this trend continues, the Council general reserve is likely to reduce to £4.749m by the year-end. This is well below the minimum balance of the general reserve which has been set at £6.5m, as approved by full Council on 28 February 2018.

2. Projected Financial Performance by Service

2.1 The details of the financial performance by service for the period and the projected out-turn position for each is set out in Appendix B. An overspend of £2.454m (2.16%) on services is predicted as at 31 March 2019. An underspend of £412k is estimated on Corporate Finance. In addition, a surplus of £298k is predicted on the collection of Council Tax, of which £243k is due to a surplus on the Council Tax Premium. The current total revenue forecast for 2018/19 is an overspend of £1.744m, which is 1.33% of the Council's total net revenue budget.

2.2 The table below summarises the significant variances (£100k or higher). The forecast takes no account of any further added pressures which may arise if the winter weather is severe (highway winter maintenance, social care costs). The most significant budgetary pressure on the Council continues to be the cost of Corporate Parenting. The Children and Families Services is expected to overspend by £1.283m. This is a statutory, demand-led Service over which there is limited control.

Summary of projected variances at 31 March 2019 based upon financial information as at 30 June 2018	
	(Under) / Overspend £000
Learning	470
Children and Families Services	1,283
Adults	112
Highways, Waste and Property	167
Transformation	238
Corporate and Democratic Costs	(144)
Uncontrollable costs – bad debt, insurances and pensions capital costs	200
Corporate Finance	(412)
Council Tax, including Council Tax Premium	(298)
Other (total of variances less than £100k)	128
Total Variance over/(under)spend	1,744

3. Explanation of Significant Variances

3.1 Lifelong Learning

3.1.1 Central Education

3.1.1.1 This service was overspent by £147k (12.36%) at the end of Quarter 1. The forecast for the year-end is an overspend of £540k (13.06%).

3.1.1.2 There are a number of over and underspends predicted across the Service. The most significant budgetary pressures are: School Transport – Taxis which is predicted to overspend by £323k. The Anglesey and Gwynedd Joint SEN Strategy is expecting to overspend by £127k due to underachievement of income £76k and £65k project management costs for stage 2 of the strategy. Secondary integration statutory costs are forecast to overspend by £81k due to an increase in demand. The forecast on integration will be further refined once September staffing arrangements are finalised.

3.1.1.3 The Service has secured an invest-to-save bid for the One Management system. Investment in this system is expected to reduce expenditure on taxis for future years. Joint working with the Procurement Service is also expected to bring efficiencies against the taxis budget. The re-tendering of the system is expected to take place by January 2019, but this will only have a limited impact on the budget position by the end of the financial year. The full benefit of the re-tendering exercise will not be seen until 2019/20.

3.1.2 Culture

3.1.2.1 This service was £35k (6.67%) underspent during the period and the forecast outturn for the year is an underspend of £70k (5.36%). The majority of the underspend, £50k, is expected within the Library Service on staffing due to vacant posts. An underspend of £20k is predicted on Museums and Galleries due to improved performance in the Oriel.

3.2 Adults Social Care

3.2.1 This service was £229k (4.07%) overspent for the period, with the forecast outturn for the year as a whole being a predicted overspend of £112k (0.46%).

3.2.2 The elements within the forecast outturn variance are as follows:-

- Services for the Elderly: forecast underspend of (£328k);
- Physical Disabilities (PD): forecast overspend of £296k;
- Learning Disabilities (LD): forecast overspend of £344k;
- Mental Health (MH): forecast overspend of £102k;
- Provider Unit: forecast underspend of (£205k); and
- Management and Support: forecast underspend of (£97k).

3.2.3 Similar to the last financial year, the most significant budgetary pressures are in Physical Disabilities, Learning Disabilities and Mental Health Services. This is due to an increased number of high cost specialist placements which are needed to meet the complexity of needs of these Service Users.

3.2.4 The Service has taken action to help offset the overspend by reducing expenditure in the areas it has more control. The internal provider unit is forecasting an underspend of £205k and Management and Support are expected to underspend by £97k by year-end.

3.2.5 Approximately 59% of the Service's budget is demand-led. Work is continuously on-going on predicting future costs of this demand-led budget. The year-end prediction at each month-end is based on the latest available information on each adult placement. This makes predicting the full-year position extremely difficult and can result in large swings from one period to the next.

3.2.6 Grant bids have been successfully made to Intermediate Care Funds to secure support in Learning Disabilities, specifically to support service users' progression to different, potentially less costly services, offering better potential outcomes for individuals. In addition to this, the department is engaging on a period of co-production with providers of supported living services, with a view to changing how outcomes are met for individuals within this environment.

3.2.7 First quarter outturn indicates an increased level of demand within the areas of Learning Disability and Physical Disability. Further assessment of these areas will occur in order to consider any possible steps to manage expenditure over the year.

3.3 Children's Services

3.3.1 The service was overspent by £427k (19.43%) during the period and is projected to be overspent by £1,283k (15.42%) for the year as a whole. This includes a projected overspend of £1,323k on Looked-after-Children (LAC). Additional funding of £268k has been provided from the Council Fund General Reserve for the service to extend the contracts of agency social workers to support and mentor newly qualified social workers.

3.3.2 The projections are based on:-

- a worst case assumption on the demand/costs for Looked After Children based on the service costs/demand/likely demand for the future;
- assumptions relating to case decisions/developments. These are far from predictable and individual circumstances can, and do, change. Based on the information available at this point, and assumptions relating to case decisions/developments, a best possible projection has been made. The cost of LAC are, by nature, demand led and can vary between £3k - £10k per week in specialist provision.

3.3.3 The Local Authority has to meet the cost of court directed interventions e.g. parent and child residential/supported accommodation assessments, supervised contact and other specialist assessments, which are also unpredictable and demand-led. The Public Law Outline requires that these assessments are in place pre proceedings also, which is placing a demand on the team budgets.

3.3.4 Children's Services are currently going through a restructuring process where the focus will be on Early Intervention and Intensive Intervention. The focus of the new structure is on preventative work and supporting children to remain living at home safely. Additional resources provided for the Edge of Care project will support this, but this will take time. The significant increase in children being looked after by the Local Authority is the main reason why the Service is overspending. The Service has seen a 72% (47/81) increase in children who are subject to Full Care Orders over the last 3 years. The average annual cost for a residential placement is £220k.

3.3.5 To mitigate the overspend on these placements, the Service has implemented an action plan for 2018/19 which includes: reviewing children/young people currently in residential placements; aiming to increase placement options on the Island; supporting children to return home when it is safe to do so; and reviewing funding approval for residential placements. Consent for all residential placements now requires the approval of the Head of Service.

3.4 Housing (Council Fund)

3.4.1 This service was underspent by £29k (5.95%) during the period. The service is expected to be overspent by £25k (2.45%) at the end of the financial year. This is due to budgetary pressures from Homelessness Bed and Breakfast accommodation costs.

3.5 Regulation and Economic Development

3.5.1 Economic and Community (includes Maritime and Leisure)

3.5.1.1 The Service, overall, was underspent by £102k at the end of quarter 1 (15.81%). The service is projected to be within budget (0%) by 31 March 2019.

3.5.1.2 The Economic Development element of the service is forecast to be within budget at year-end. There are underspends within staffing due to vacant posts and surplus recharge income from major programmes, however, there are compensating costs in supplies and services.

3.5.1.3 The Maritime section is expected to be within budget at year-end. This includes the repainting of Beaumaris Pier, £75k was transferred to an earmarked reserve at the end of 2017/18 in order to fund the works. In addition, the projected underspend of £30k anticipated at this year end will also be utilised to cover the costs of the repainting which will take place during the latter part of this financial year.

3.5.1.4 The Leisure section is also forecast to have a balanced budget at year-end. The leisure centres' income has been subject to change due to the revised VAT treatment on leisure income. However, it is expected that there will be variances within the service.

3.5.2 Planning and Public Protection

3.5.2.1 This service was £53k underspent (14.6%) during the period. The forecast outturn for the year is an overspend of £46k (2.36%) which relates to the Public Protection Section.

3.5.2.2 The Public Protection Section is predicting an overspend of £46k due to forecast overspends on a number of areas. The most significant overspend is expected in Environmental Health (£30k) where there is a historic underachievement of pollution control income and overspends on supplies and services. Pest control is estimated to overspend by £20k due to a historic underachievement of pest control fees. Trading Standards and Markets are also expected to overspend again due to underachievement of income. Licensing, however, is overachieving on its income targets and is predicted to underspend by £29k by year-end.

3.5.2.3 The Planning Section is forecast to achieve a balanced budget for 2018/19. Some Planning income targets are unlikely to be achieved. However, underspends in Planning Administration and Control and Building Control will offset this shortfall. These areas are overachieving on their income targets.

3.6 Highways, Waste and Property

3.6.1 Highways

3.6.1.1 This service was £201k (11.71%) overspent during the period and is projected to be £5k (0.08%) overspent by the year-end. This excludes the impact of winter maintenance required as it is too early in the year to assess this.

3.6.1.2 There are a number of compensating over and underspends, with the most significant overspend being £80k on Maintenance Design and £50k on the works budget. The largest underspend is in Street Works, which is predicting an underspend of £100k.

3.6.2 Waste

3.6.2.1 The Waste service was £13k (0.83%) underspent at the end of this quarter and the service is predicted to overspend by £20k (0.27%) at the end of the financial year. This excludes the impact of the Electricity Generating Site which may change the outturn position. This is due to the Generating Engine being replaced with two smaller engines. The impact of this will not be known until the latter half of the year.

3.6.2.2 An underspend of £10k is forecast for Penhesgyn. Waste Disposal is predicted to underspend by £40k due to good levels of recycling which is cheaper to dispose of. Public conveniences is expected to overspend by £20k due to the risk that the savings target will not be achieved by year-end. The most significant budget pressure is Waste Collection, which is forecast to overspend by £60k for the year. The increased pressure on the recycling grant may result in less waste collection charges being allocated against the grant, which has a direct effect on the waste collection budget.

3.6.3 Property

3.6.3.1 The Service is predicted to be overspent by £142k (15.67%) at year-end.

3.6.3.2 Repairs and Maintenance of the Council buildings are estimated to overspend by £65k. The Cleaning Service is predicted to overspend by £76k relating to the cleaning of primary schools for which there is no further funding from the Learning Service. Every effort will be made by the service to identify areas where expenditure can be reduced in order to reduce the overspend. The Property Service will work with the Learning Service in relation to School Cleaning Cost budgets.

3.7 Transformation

3.7.1 The Transformation function overspent by £433k (8.95%) during the period. Transformation, in total, is expected to overspend by £238k (5.40%) due to overspends in the ICT Section.

3.7.1.1 The ICT Section is estimated to overspend by £327k. All software and hardware budgets across the Council, excluding schools, have been centralised and are now managed within the ICT Service. The software budgets are perceived to be historically insufficient though, once centralisation is fully embedded, a reduction in these costs are expected. An overspend of £257k is forecast on software and an overspend of £70k is expected on Anglesey Connected due to low income as fewer sites use the service. Further work to analyse the actual hardware and software costs and whether they are covered by the budgets will be completed. This may result in additional budgets being transferred from Services into ICT or costs being transferred back to services. However, this will not change the overall impact on the forecast for the Council.

3.7.1.2 The HR function is predicting a balanced budget for the year.

3.7.1.3 The Corporate Transformation section is forecast to underspend by £89k at year-end due to underspends on staffing budgets.

3.8 Resources (excluding Benefits Granted)

3.8.1 The Resources function budget showed an overspend of £21k (2.68%) by the end of the period. The function is predicted to overspend by £29k (1.03%) for the financial year.

3.8.2 Revenues and Benefits are forecast to overspend by £71k. This is mainly due to an estimated shortfall in grants of £51k. There is an estimated overspend of £31k on staff due to maternity leave and other cover, however, there are small underspends in the section which will reduce the overall overspend. The Audit Section is predicting an underspend of £27k due to several vacant posts, these post have now been recruited to. The Accountancy Section is forecast to overspend by £40k by year-end, the most of significant of which is bank charges which is expected to overspend by £25k. Procurement is estimated to underspend by £55k, largely due to savings from centralised budgets.

3.9 Council Business

3.9.1 The function is £5k (1.14%) overspent as at 30 June 2018 and a total overspend of £28k (1.83%) is expected for the year. This is a significant improvement on the overspend of £181k during 2017/18.

3.9.2 The most significant estimated overspend within Council Business is Legal Services which is predicted to overspend by £27k. Legal Services are expected to overspend by £26k on agency costs; there is an estimated £10k shortfall on Legal Services income target; there is an £8k overspend on the unbudgeted Trade Union Post and a small overspend on Corporate Information and Complaints. The overall overspend is reduced by a forecast surplus on Land Charges income of £20k.

3.10 Corporate and Democratic Costs

3.10.1 The function was underspent by £93k (8.80%) during the period. An underspend of £144k (4.19%) is projected at year-end.

3.10.2 The main budgetary pressure affecting the function is staff counselling costs which are expected to overspend by £25k. However, there are several areas which are underspending. A grant audit refund of £67k is expected along with an estimated saving of £12k on audit inspection fees. There is a historic pension adjustment underspend of £56k. There is also an underspend on the pension contributions to Gwynedd.

3.11 Corporate Management

3.11.1 The function was £1k (0.61%) underspent at the end of this Quarter. A balanced budget is expected on Corporate Management.

3.12 Estimated impact of Service Costs Outside the Control of Heads of Services

3.12.1 Each year, costs which are outside the control of Heads of Services are incurred. These costs tend to be: unbudgeted bad debt provisions on sundry debtors, insurance costs and pensions capital costs. An overspend of £200k is forecast on these non-controllable costs. These costs have not been shown against the individual services as only the costs within Heads of Services' control are reported against individual service lines.

4. Corporate Finance (including Benefits Granted)

- 4.1** Corporate Finance, including Benefits Granted, is expected to underspend by £412k (2.37%) at year-end. Benefits Granted is expected to underspend by £84k. This includes £92k underspend on the Council Tax Reduction Scheme and an overspend of £12k on Discretionary Housing Payments. There is a surplus income of approximately £4k on Housing Benefits Overpayments. An underspend of £331k is also projected on capital financing costs due to savings made from internal borrowing, delaying the refinancing of loans and selecting the lowest borrowing options which comply with the Treasury Management Strategy Statement 2018/19.
- 4.2** Appendix C summarises the financial position on contingency budgets at the end of this quarter. A total contingencies budget of £1.789m was approved as part of the 2018/19 budget. A net £157k has been vired to/from services to fund specific projects, budgetary issues or to release savings from voluntary redundancies. £1.055m has been committed from contingencies and there is £577k remaining.

5. Collection of Council Tax

5.1 The Council Tax Fund budget is determined using the estimated collectable debt for the current year only, based on the tax base figure set in November 2017. It does not provide for arrears collected from previous years, adjustments to liabilities arising from previous years (exemptions, single person discounts etc.), changes to the current year's tax-base or the provision for bad and doubtful debts. These changes cannot be estimated and, invariably, lead to a difference between the final balance on the Council Tax Collection Fund and the original budget. The current projection is that the Council Tax Fund will overachieve the target figure by £55k. In addition, the Council Tax Premium budget, which is an additional Council Tax charge on second homes on Anglesey (since 1 April 2017), may potentially overachieve its budget target by £243k. In total, therefore, a surplus of £298k is forecast on the collection of Council Tax.

6. Budget Savings 2018/19

6.1 Budget savings of £2.522m were removed from service budgets for 2018/19. It is anticipated that £2.387m have or will be fulfilled by the year-end. However, £135k may potentially not be achieved. The most significant savings shortfall is expected in Learning, which is predicted to underachieve on the target by £89k due to retendering of contracts and the morning care club. A full detailed analysis can be seen for each Service in Appendix D.

7. Invest-to-Save

7.1 An invest to save programme was undertaken in 2016/17 with an allocation of £983k for individual projects. The remaining opening balance on 1 April 2018 was £652k. To date, £104k has been spent or committed from this allocation of funding during 2018/19. All projects are at various stages of development, with some closer to completion than others. The full detail of the expenditure and progress on each of the projects can be seen in Appendix CH. Where the projects are not completed at year-end, they will continue into 2019/20 and the funding will still be available within the invest-to-save reserve.

8. Agency and Consultancy Costs

8.1 During the year to date, £224k was spent on Agency staff. These were, in the main, part-funded from staffing budgets as they related to staff vacancies, while £149k was related to staff cover within Children's Services, mainly while the service undergoes a restructure. The Waste Service spent £54k for site agents at the recycling centres. The full details can be seen at Appendix DD.

8.2 Expenditure on consultancy during Quarter 1 was £401k, with £285k of this funded externally from grants or contributions. There are a number of reasons for the use of consultants, therefore, a summary of expenditure per service and additional details of the expenditure can be seen at Appendix E.

9. Conclusion

9.1 A total overspend of £1.744m is projected for the year-ending 31 March 2019. This is very similar to the draft overspend of £1.659m in 2017/18. £2.454m of the predicted overspend for 2018/19 is on service budgets, which are made up of a number of over and underspends. The Services that are still experiencing significant budgetary pressures are similar to 2017/18 (Children and Families Services and Learning). The Heads of Service are aware of the issues and are working to reduce the level of overspending which is within their control by the year-end. Corporate Finance is expected to underspend by £0.412m and Council Tax, which includes the Council Tax Premium, is forecast to collect a surplus of £0.298m. The overall overspend is, therefore, reduced to £1.744m. The projected level of overspend is 1.33% of the Council's net budget. There is concern about the impact of this level of overspend on general balances should the overspend materialise.

- 9.2** Although this level of overspending can be funded from general reserves in 2018/19, it will deplete the general reserves to a figure well below the generally accepted minimum. It will be necessary during the 2019/20 budget setting process to fund the underlying level of overspending and to begin the process of replenishing the general balances. This is a prudent approach and is necessary to ensure the long term financial viability of the Council.
- 9.3** Forecasts are subject to change as new information becomes available. However, with regular scrutiny from the SLT and if remedial action is taken by Heads of Services these will help the services manage within the budgets they can control.

Projected Revenue Outturn for the Financial Year Ending 31 March 2019 – Quarter 1

Service/Function	2018/19 Annual Budget	Q1 2018/19 Budget Year to Date	Q1 Actual & Committed spend	Q1 2018/19 Variance	Q1 Actual & Committed Spend	Estimated Expenditure to 31 March 2019 at Q1	Estimated Outturn 31 March 2019 over/ (underspend) at Q1	2018/19 Projected Over/(Under) spend as a % of Total Budget	Draft Over/(under) spend Last Year 2017/18 (Subject to Audit)
	£'000	£'000	£'000	£'000	%	£'000	£'000	%	£'000
LIFELONG LEARNING									
Delegated Schools Budget	43,084	11,391	11,391	0	0.00%	43,084	0	0.00%	0
Central Education	4,135	1,186	1,333	147	12.36%	4,675	540	13.06%	893
Culture	1,305	527	492	35	-6.67%	1,235	(70)	-5.36%	-147
ADULT SERVICES	24,427	5,613	5,842	229	4.07%	24,539	112	0.46%	215
CHILDREN'S SERVICE	8,321	2,197	2,623	427	19.43%	9,604	1,283	15.42%	1,778
HOUSING	1,021	485	456	29	-5.95%	1,046	25	2.45%	7
HIGHWAYS, WASTE & PROPERTY									
Highways	6,264	1,714	1,914	201	11.71%	6,269	5	0.08%	-100
Property	906	55	55	0	0.00%	1,048	142	15.67%	55
Waste	7,490	1,618	1,604	(13)	-0.83%	7,510	20	0.27%	-63
REGULATION & ECONOMIC DEVELOPMENT									
Economic Development	1,733	645	746	102	15.81%	1,733	0	0.00%	-10
Planning and Public Protection	1,948	362	309	-53	-14.60%	1,994	46	2.36%	9
TRANSFORMATION									
Human Resources	1,231	351	335	-16	-4.52%	1,231	0	0.00%	-61
ICT	2,352	614	1,093	479	77.99%	2,679	327	13.90%	45
Corporate Transformation	820	160	130	-30	-18.74%	731	(89)	-10.86%	-158
RESOURCES	2,828	789	811	21	2.68%	2,857	29	1.03%	-3
COUNCIL BUSINESS	1,529	417	422	5	1.14%	1,557	28	1.83%	181
CORPORATE & DEMOCRATIC COSTS	3,433	1,054	961	-93	-8.80%	3,289	-144	-4.19%	-205

Service/Function	2018/19 Annual Budget	Q1 2018/19 Budget Year to Date	Q1 Actual & Committed spend	Q1 2018/19 Variance	Q1 Actual & Committed Spend	Estimated Expenditure to 31 March 2019 at Q1	Estimated Outturn 31 March 2019 over/ (underspend) at Q1	2018/19 Projected Over/(Under) spend as a % of Total Budget	Draft Over/(under) spend Last Year 2017/18 (Subject to Audit)
	£'000	£'000	£'000	£'000	%	£'000	£'000	%	£'000
CORPORATE MANAGEMENT	657	163	164	1	0.61%	657	0	0.00%	-81
ESTIMATED IMPACT OF UNCONTROLLABLE COSTS						200	200		158
TOTAL SERVICE BUDGETS	113,483	29,339	30,681	1,342	4.57%	115,937	2,454	2.16%	2,513
Levies	3,360	3,360	3,361	1	0.02%	3,360	0	0.00%	-2
Discretionary Rate Relief	60	0	0	0	0%	63	3	5.00%	0
Capital Financing	7,511	0	-11	-11	0.00%	7,180	-331	-4.41%	-494
General & Other Contingencies	1,632	1,632	1,055	-577	-35.35%	1,632	0	0.00%	106
Support Services contribution HRA	-693	0	0	0		-693	0	0.00%	-82
Benefits Granted	5,546	687	687	0	0.07%	5,462	(84)	-1.51%	-310
TOTAL CORPORATE FINANCE	17,417	5,679	5,093	-587	-10.33%	17,004	(412)	-2.37%	-782
TOTAL 2018/19	130,900	35,019	35,774	756	2.16%	132,941	2,042	1.56%	1,731
FUNDING									
NDR	-22,574	-6,946	-6,946	0	0.00%	-22,574	0	0.00%	0
Council Tax	-34,440	0	0	0	0.00%	-34,495	-55	0.16%	-72
Council Tax Premium	-648	0	0	0	0.00%	-891	-243	37.47%	
Revenue Support Grant	-73,238	-22,535	-22,535	0	0.00%	-73,238	0	0.00%	0
TOTAL FUNDING 2018/19	-130,900	-29,481	-29,481	0	0.00%	-131,198	-298	0.00%	-72
TOTAL OUTTURN INCLUDING IMPACT OF FUNDING	0	5,538	6,293	755	13.63%	1,744	1,744	1.33%	1,659

Summary of the Financial Position on Contingency Budgets 2018/19 as at Quarter 1

	Original Budget	Virements	Amended Budget	Committed to date (31/12/17)	Current Remaining Un-Committed
	£	£	£	£	£
General Contingency	359,166	15,410	374,576	(44,530)	330,046
Salary and Grading	300,000	(53,030)	246,970	-	246,970
Edge of Care	240,000	-	240,000	(240,000)	-
Earmarked Contingency	739,890	(119,000)	620,890	(620,890)	-
Pay Inflation	150,000	-	150,000	(150,000)	-
Total General and other Contingencies	1,789,056	(156,620)	1,632,436	(1,055,420)	577,016

Review of Invest-to-Save Projects 2018/19

Service	Title	Description	Amount Approved £	Sum Allocated (in total - not just Yr 1) £	Total Spend to 31 March 2018	Balance at 1 April 2018 £	Allocation for 2018/19 £	Spend to date 2018/19 £	Remaining budget 2018/19 £	Project Update
Resources	Electronic Document Management System for Revenues and Benefits	Provide scanning solution and workflow for Revenues and Benefits	170,000	170,000	127,856	42,144	42,144	31,840	10,304	Mainly completed, some work continuing on automated processes.
I.T	Local Land and Property Gazetteer	Implement a LLPG system across the Council	10,800	10,800	15,261	0	0	0	0	Project completed in 2017/18. The project overspent by £4.5k which was funded by revenue.
I.T / Transformation	Customer Relationship Management System	Purchase and implementation of a CRM system	255,000	255,000	33,597	221,276	211,678	9,598	202,080	The project is progressing well with the core technology in place.
I.T. / Resources	Payment Gateway	Purchase and implement a payment gateway which will enable payments to be received via the App	27,000	27,000	6,000	21,000	21,000	5,225	15,775	Payment Gateway integration work complete on the CRM and AppMon side, delays on the Capita Side holding project back.
Regulation & Economic Development	Improve the Resilience of the Planning Systems	New automated planning systems	118,000	118,000	40,464	77,536	77,536	28,437	49,099	Funding will be used in full in 2018/19 to fund the post

Service	Title	Description	Amount Approved £	Sum Allocated (in total - not just Yr 1) £	Total Spend to 31 March 2018	Balance at 1 April 2018 £	Allocation for 2018/19 £	Spend to date 2018/19 £	Remaining budget 2018/19 £	Project Update
Resources	Improving Income Collection Systems	Purchase and implement a new income management system which links to the current income streams and allows new income collection methods	150,000	150,000	59,078	90,922	90,922	18,147	72,775	Procurement of the system is completed and is expected to be implemented during 2018/19
Lifelong Learning	Modernisation of business and performance processes	Implement unused modules in the ONE Management Information system	72,000	72,000	52,529	19,471	19,471	10,551	8,920	The project is progressing well, expected to be completed by January 2019
Lifelong Learning	Modernisation of business	Website for the Oriel	15,000	15,000	0	15,000	15,000	0	15,000	The work is linked to the wider project on the corporate website. Expected to be fully utilized in 2018/19
I.T. / Transformation	Digital First / Digital By Default	Employ a Digital Lead Officer and Digital Services Analyst	£70,000 in year 1 and £50,000 in year 2	120,000	0	120,000	70,000	0	70,000	No expenditure has been incurred to date as recruitment of the Digital Lead has been held pending implementation of new Web Content Management System in order to align all Digital Platforms and then get the best out of the 2 years of funding for the temporary posts.

Service	Title	Description	Amount Approved £	Sum Allocated (in total - not just Yr 1) £	Total Spend to 31 March 2018	Balance at 1 April 2018 £	Allocation for 2018/19 £	Spend to date 2018/19 £	Remaining budget 2018/19 £	Project Update
Public Protection	Improved Digital Connectivity within the Public Protection Service	Implementation of a cloud based system to record inspection visits. The software is an all Wales solution and has been procured via a framework agreement supported by 19 out of 22 Councils in Wales.	£10,000 per year for 4.5 years	45,000	0	45,000	10,000	0	10,000	No expenditure has been incurred to date but the scheme is due to begin this financial year.
Total				982,800	334,785	652,349	557,751	103,798	453,953	

Review of Efficiency Savings 2018/19

Service/Function	Budget Savings 2018/19 £'000	Achievable 2018/19 £'000	Potentially not- achievable 2018/19 £'000	Will not be achieved at all £'000	Comments
Lifelong Learning	358	269	89	0	The savings proposal for the reduction of the management costs for music tuition will likely achieve £55k of the proposed £79k, as the saving is expected to be achieved from September onwards. The service has been unable to retender the schools' grass cutting contracts until later than expected, resulting in an expected shortfall of savings. The contract will be retendered from December 2018. Income collected in relation to the morning care club was significantly underachieved in 2017/18 and although income collected in the first quarter of 2018/19 may be higher than that of the first quarter of 2017/18, it is still likely to be significantly below the budget. Schools are responsible for collecting this income, and the 2017/18 school forum has discussed the possibility of delegating this budget. The forum decided not to delegate the budget for now, and to give schools a 1 year period to improve income collection. Should the position not improve in 2018/19, we will again discuss the possibility of delegating the budget to incentivise schools to maximise income collection.
Regulation and Economic Development	125	120	5	0	The Café at Holyhead Leisure Centre has not yet been outsourced. Has been out to procurement, and some interest has been shown. The Café is expected to be outsourced by September. To date, costs are marginally ahead of sales, and the savings should be achievable from September onwards.
Highways, Waste and Property	366	336	30	0	To date, the service has not been able to transfer any of the planned facilities for 2018/19 due to a lack of interest from Town / Community Councils. Property are continuing to attempt to facilitate the outsourcing of the Public Conveniences.
Adults' Services	350	350	0	0	Despite a delay in the opening of Hafan Cefni, which is now expected to open mid September, the focus on ensuring that those being accepted for flats are those that would have otherwise required placement or care, means the savings are still achievable.
Housing	23	19	4	0	The staff member responsible for the work in relation to the increase of the fee for EPC work has since submitted an application for voluntary redundancy, making it difficult to verify the achievability of this savings proposal. The service will look to achieve the £4k saving elsewhere within the service budgets.

Service/Function	Budget Savings 2018/19 £'000	Achievable 2018/19 £'000	Potentially not- achievable 2018/19 £'000	Will not be achieved at all £'000	Comments
Transformation	40	33	7	0	Zero income has been generated to date through selling advertising space on the Council's website and looks unlikely to happen this year. Zero income has been generated to date through external consultancy work and looks unlikely to happen this year. Savings will be looked for elsewhere within the service's budget.
Council Business	1,236	1,236	0	0	Relevant budgets have been removed and expenditure is currently within budget, and on target to achieve savings. The savings proposed as a result of the review of the MRP policy are likely to be achieved according to consultants.
Resources	24	24	0	0	Budget has been removed and, overall, budgets are underspending.
Total	2,522	2,387	135	0	

Agency costs April to June 2018

Service	£	Funded From	Purpose
Waste	5,966.62	Specific Core Budget	Staff Vacancy - Employment Ceased
	350.75	Specific Core Budget	Staff Vacancy - Employment Ceased
	2,334.62	Specific Core Budget	Staff Vacancy - Employment Ceased
	662.12	Specific Core Budget	Specific Work - One Off
	18,343.75	Specific Core Budget	Additional tasks required short term during Summer period. Staff not available via HR Matrix
	19,635.87	Specific Core Budget / Grant / External Contribution	Additional tasks required short term during Summer period. Staff not available via HR Matrix
	7,214.46	Specific Core Budget / Grant / External Contribution	Additional tasks required short term during Summer period. Staff not available via HR Matrix
	54,508.19		
Childrens Services	27,080.61	Core budget, Un-utilised staffing budget & reserves approved by the Executive	To cover vacant posts whilst re-structure taking place
	93,853.19	Core budget, Un-utilised staffing budget & reserves approved by the Executive	To cover vacant posts whilst re-structure taking place
	3,375.00	Core budget, Un-utilised staffing budget & reserves approved by the Executive	To cover vacant posts whilst re-structure taking place

	£	Funded From	Purpose
	23,620.85	Core budget, Un-utilised staffing budget & reserves approved by the Executive	To cover vacant posts whilst re-structure taking place
	1,020.00	Core budget, Un-utilised staffing budget & reserves approved by the Executive	To cover vacant posts whilst re-structure taking place
	148,949.65		
Adult Services	20,008.68	Core Budget	To cover vacant posts
	750.00	Grant funded	To work on a specific project
	20,758.68		
Total	224,216.52		

Information Regarding Monitoring of Consultants 2018/19

Summary of Consultancy Expenditure Q1 per Service/Function	
	Qtr 1 (£)
Central Education	8,133
Culture	6,070
Economic & Regeneration	286,501
Property	640
Highways	20,289
Schools	0
Waste	7,911
HRA	9,215
Adult Services	3,400
Childrens' Services	0
Transformation	2,136
Council Business	10,711
Resources	45,911
Total	400,917

A more detailed breakdown of this is provided below.

Breakdown of Consultancy Costs Quarter 1 2018/19

	Amount Q1 (£)	Category - Reason Appointed			Source of Funding (Specific Core Budget / Unutilised staffing budget / Grant / External Contribution)	Description of work undertaken
		Ongoing to cover specific skill set that doesn't require Permanent Post	Volume of Work	Specific Work / One Off Project		
Central Education	8,050	✓	✓	✓	Core	Professional Fees in relation to Education services
	83		✓	✓	Core	Professional Fees re investigation
Total Central Education	8,133					
Culture	427	✓			Core	Art crew assistant
	1,200	✓			Core	Visitor Profiling
	2,450	✓			Core	Supply updated insurance and market valuation on specific items
	236	✓			Core	Life drawing classes
	234	✓			Core	Life drawing classes
	1,000	✓			Core	Exhibition curatorial work
	51	✓			Core	Life drawing classes
	420	✓			Core	Life drawing classes
	51	✓			Core	Life drawing classes
Total Culture	6,070					

	Amount Q1 (£)	Category - Reason Appointed			Source of Funding (Specific Core Budget / Unutilised staffing budget / Grant / External Contribution)	Description of work undertaken
		Ongoing to cover specific skill set that doesn't require Permanent Post	Volume of Work	Specific Work / One Off Project		
Economic & Regeneration	1,028	✓	✓	✓	External Contribution	Project inspection - Local Action Plan Development
	1,500	✓	✓	✓	Core	North Wales Connection Project
	6,498	✓	✓	✓	Core	North Wales Connection Project
	1,620	✓	✓	✓	Core	Ynys Môn Visitor Perception Study
	8,597	✓	✓	✓	External Contribution	Wage Displacement Assessment
	1,025	✓	✓	✓	External Contribution	Amlwch Leisure Centre Impact Assessment
	28,875	✓	✓	✓	External Contribution	Reports on demand for skills and supply of local labour
	10,000	✓	✓	✓	External Contribution	Socio-Economic Urgent Works
	2,992	✓	✓	✓	External Contribution	Strategy Support - DCO document review
	14,229	✓	✓	✓	External Contribution	Professional fees - Wylfa Newydd project

	Amount Q1 (£)	Category - Reason Appointed			Source of Funding (Specific Core Budget / Unutilised staffing budget / Grant / External Contribution)	Description of work undertaken
		Ongoing to cover specific skill set that doesn't require Permanent Post	Volume of Work	Specific Work / One Off Project		
	63,545	✓	✓	✓	External Contribution	Professional fees - Development Consent Order
	1,225	✓	✓	✓	External Contribution	Translation - Wylfa Newydd SPG
	9,226	✓	✓	✓	External Contribution	Curatorial monitoring work
	6,480	✓	✓	✓	External Contribution	Visitor Perception Study
	7,801	✓	✓	✓	External Contribution	Consultancy West Somerset Council
	53,099	✓	✓	✓	External Contribution	Strategy Support
	13,783	✓	✓	✓	External Contribution	IoACC Highways Consultancy Support
	1,779	✓			External Contribution	Consultancy - National Grid Connection Project
	15,751	✓			External Contribution	Professional fees - North Wales Connection project
	3,834	✓			External Contribution	IoACC National Grid Issue Tracker
	22,998	✓		✓	External Contribution	IoACC North Wales Connection project

	Amount Q1 (£)	Category - Reason Appointed			Source of Funding (Specific Core Budget / Unutilised staffing budget / Grant / External Contribution)	Description of work undertaken
		Ongoing to cover specific skill set that doesn't require Permanent Post	Volume of Work	Specific Work / One Off Project		
	482	✓		✓	External Contribution	Wylfa to Pentir Archeological work
	1,332			✓	External Contribution	Former Peboc Site Outline Planning Application
	2,413			✓	External Contribution	Berth 8 Holyhead Port Additional Feasibility Study
	1,968	✓	✓	✓	Core	Development Management Support
	698	✓		✓	External Contribution	Engineering Works
	390	✓	✓	✓	Grant	One year's subscription to the Noise App (50% of subscription charged to Housing)
	1,009	✓	✓	✓	Core	Food Hygiene Inspections
	30	✓	✓	✓	Core	Minimum usage charge
	167	✓	✓	✓	Core	Contribution – collect shellfish from the Menai Straits

	Amount Q1 (£)	Category - Reason Appointed			Source of Funding (Specific Core Budget / Unutilised staffing budget / Grant / External Contribution)	Description of work undertaken
		Ongoing to cover specific skill set that doesn't require Permanent Post	Volume of Work	Specific Work / One Off Project		
	250	✓	✓	✓	Core	50% of 2018-19 Directors of Public Protection Subscription
	159	✓	✓	✓	Core	Analysis of private Water Supplies
	564	✓	✓	✓	Grant	Production of response of PHE / PHW letter - Craig y Don estate
	186	✓	✓	✓	Core	Membership fee for the year commencing
	250	✓	✓	✓	Grant	Animal Health Dog Inspections
	609	✓	✓	✓	Core	PAT Testing
	112	✓	✓	✓	Core	Vatable enquires & Usage charges
Total Economic and Regeneration	286,501					
Property	640	✓			Core	Structural survey - preparation and issue of report and recommendations
Total Property	640					

	Amount Q1 (£)	Category - Reason Appointed			Source of Funding (Specific Core Budget / Unutilised staffing budget / Grant / External Contribution)	Description of work undertaken
		Ongoing to cover specific skill set that doesn't require Permanent Post	Volume of Work	Specific Work / One Off Project		
Highways	92	✓	✓	✓	Core	PCN charge
	7,326	✓		✓	Core	Charges in respect of PCN's issued
	3,775	✓			Core	Traffic Survey
	2,084	✓		✓	Core	Holyhead Causeway Bridge
	7,012			✓	Grant	Payment Request - Solicitor Firm
Total Highways	20,289					
Waste	24	✓		✓	Specific Core Budget	Duos offtake only
	2,705	✓		✓	Specific Core Budget	Penhesgyn Gas Engine Tender preparation Works
	42	✓		✓	Specific Core Budget	Metering and Settlement Fee
	500	✓		✓	Specific Core Budget	Perimeter Gas monitoring at Penhesgyn
	1,930	✓		✓	Specific Core Budget	Perimeter Gas monitoring at Penhesgyn review + risk assessment

	Amount Q1 (£)	Category - Reason Appointed			Source of Funding (Specific Core Budget / Unutilised staffing budget / Grant / External Contribution)	Description of work undertaken
		Ongoing to cover specific skill set that doesn't require Permanent Post	Volume of Work	Specific Work / One Off Project		
	660	✓		✓	Specific Core Budget	Landfill Gas technical support
	183	✓		✓	Specific Core Budget	Annual review of fire risk assessment at Penhesgyn Waste transfer and recycling centre
	1,685	✓		✓	Specific Core Budget	Annual Water Monitoring
	183	✓		✓	Specific Core Budget / Grant External Contribution	Annual review of fire risk assessment at Penhesgyn IVC
Total Waste	7,911					
HRA	315			✓	Core Budget	Supplementary Assessment - approved contractor scheme
	1,900			✓	Core Budget	Uploading customised M3NHF Schedule of rates

	Amount Q1 (£)	Category - Reason Appointed			Source of Funding (Specific Core Budget / Unutilised staffing budget / Grant / External Contribution)	Description of work undertaken
		Ongoing to cover specific skill set that doesn't require Permanent Post	Volume of Work	Specific Work / One Off Project		
	7,000			✓	Core Budget	Orchard housing messaging implementation and project management
Total HRA	9,215					
Adult Services	3,400			✓	Grant	Consultancy work RE WCCIS improvement project
Total Adult Services	3,400					
Transformation	2,136	✓			Grant	Client assessments
Total Transformation	2,136					
Council Business	1,884		✓		Core Budget	Professional services - Solicitor
	8,827		✓	✓	Core Budget	Professional services - Corporate Information Services
Total Council Business	10,711					
Resources	750	✓			Core Budget	VAT Consultancy Service
	7,100	✓			Core Budget	Treasury Services - contracts
	25,138			✓	Core Budget	Civica Consultancy days

	Amount Q1 (£)	Category - Reason Appointed			Source of Funding (Specific Core Budget / Unutilised staffing budget / Grant / External Contribution)	Description of work undertaken
		Ongoing to cover specific skill set that doesn't require Permanent Post	Volume of Work	Specific Work / One Off Project		
	6,000			✓	Core Budget	Northgate HR/Payroll consultant
	5,000			✓	Core Budget	SPD review
	1,259			✓	Core Budget	Project management invest to save projects
	665			✓	Core Budget	Travel and expenses for consultancy related services
Total Resources	45,911					
Total Q1 - April to June	400,917					

ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	THE EXECUTIVE
DATE:	17 SEPTEMBER 2018
SUBJECT:	HRA BUDGET MONITORING, QUARTER 1 2018/19
PORTFOLIO HOLDER(S):	COUNCILLOR ROBIN WILLIAMS
HEAD OF SERVICE:	MARC JONES
REPORT AUTHOR:	STEPHEN MOORE
TEL:	01248 752634
E-MAIL:	StephenMoore@ynysmon.gov.uk
LOCAL MEMBERS:	n/a
A - Recommendation/s and reason/s	
<p>1. The Executive is requested to note the following:-</p> <ul style="list-style-type: none"> (i) The position set out in respect of the financial performance of the Housing Revenue Account (HRA) for Quarter 1 2018/19. (ii) The forecast outturn for 2018/19. <p>2. Background</p> <ul style="list-style-type: none"> (i) In March 2018, the Council agreed a revenue budget for 2018/19 that showed a planned surplus of £7.3m. (ii) The capital budget for 2018/19 was £12.4m but it should be noted that £3.6m of expenditure planned for 2017/18 had not been completed and had slipped into the 2018/19 capital programme. This gives a total capital budget of £16.0m. (iii) The combination of both the revenue budget and adjusted capital budget gave a planned budget deficit of £6.0m which would be funded from the HRA reserve. (iv) The HRA is 'ringfenced', and its reserves cannot be transferred to the General Fund. <p>3. This report sets out the financial performance of the HRA for the period from 1st April 2018 to 30th June 2018.</p> <p>4. Overview</p> <ul style="list-style-type: none"> (i) The revenue financial position for Q1 shows an overspend of £110k. The income forecast is now £70k worse than the original budget as explained below. More detail is shown in Appendix A. (ii) The Capital expenditure is £42k below the profiled budget. The forecast expenditure is £1,811k lower than budget as explained below. More detail is shown in Appendix B. (iii) The forecast deficit (combining both revenue and capital) is £1,741k less than the budget, largely the result of lower than budgeted capital expenditure. 	

5. Income

- (i) Income overall is £9k (0.6%) better than budget.
- (ii) Rental income was £17k below budget. This is primarily due to a lower number of properties commissioned during the last year compared to the assumption built into the budget. The forecast has been adjusted by £90k to reflect this.
- (iii) The budget assumed that the remodelling of the garage stock would be complete. In the event, the pace of remodeling has been slower. To date, income from this source is £7k better than budget and the forecast has been adjusted by £20k to reflect this.
- (iv) Other income was £19k better than budget, mostly due to increased service charges.

6. Non Repairs and Maintenance Expenditure

- (i) Expenditure was £41k below budget. The main savings relate to staff vacancies.

7. Repairs and Maintenance

- (i) The Housing Maintenance Unit (HMU) shows an overspend of £171k. This is partly due to sub-contractors being used to cover staff sickness and the value of commitments (purchase orders raised) which appear high and will require investigation. The situation will be closely monitored.
- (ii) Other Repairs and Maintenance were overspent, largely due to a feasibility study into the sewage treatment works that was not envisaged when the 30 year plan was drawn up in December.

8. Year-End Adjustments

- (i) This heading covers items of expenditure (capital financing costs and recharges from the General Fund) that form part of the year-end accounting process. At this stage, no changes are envisaged.

9. Capital Expenditure

- (i) The original capital programme approved by the Council in March 2018 totalled £12,417k, which was to be funded by the Major Repairs Allowance £2,665k and contribution from the HRA reserve £9,752k. Planned capital expenditure of £3,581k was brought forward as slippage from 2017/18 to give a revised capital programme of £15,998k. The forecast expenditure is now £14,187k, £1,811k below budget. The most significant underspend relates to the acquisition and new build of properties.

10. HRA balance

- (i) The opening balance of the HRA Reserve stood at £7,407k. A deficit of £4,309k is now forecast, £1,741k better than budget, that would leave a balance of £3,098k available to fund future HRA expenditure.

B - What other options did you consider and why did you reject them and/or opt for this option?		
n/a		
C - Why is this a decision for the Executive?		
This matter is delegated to the Executive.		
CH - Is this decision consistent with policy approved by the full Council?		
Yes		
D - Is this decision within the budget approved by the Council?		
Yes		
DD - Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	
2	Finance / Section 151 (mandatory)	n/a – this is the Section 151 Officer's report
3	Legal / Monitoring Officer (mandatory)	Will be consulted as part of SLT
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	
E - Risks and any mitigation (if relevant)		
1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	
F - Appendices:		
Appendix A – Revenue expenditure and forecasts to end of Quarter 1. Appendix B – Capital expenditure and forecast to end of Quarter 1.		
FF - Background papers (please contact the author of the Report for any further information):		
<ul style="list-style-type: none"> • 2018/19 HRA budget (as approved by this Committee in March 2018). • HRA 30 Year Business Plan 2018/48 (as approved by this Committee in March 2018). 		

HRA ACCOUNT 2018/19

	Annual Budget 2018/19	Profiled Budget to Month 3	Actual to Month 3	Variance to Month 3	Year-End Forecast	Year-End Variance
	£	£	£	£	£	£
REVENUE ACCOUNT						
Income						
Dwellings	(17,339,000)	(4,317,411)	(4,300,013)	17,398	(17,249,000)	90,000
Garages	(190,000)	(47,310)	(54,640)	(7,330)	(210,000)	(20,000)
Service Charges	(99,000)	(24,651)	(36,500)	(11,849)	(99,000)	0
Other	(311,000)	(66,234)	(73,642)	(7,408)	(311,000)	0
Bad Debt Provision	219,000	0	0	0	219,000	0
TOTAL INCOME	(17,720,000)	(4,455,606)	(4,464,795)	(9,189)	(17,650,000)	70,000
Non Repairs & Maintenance Expenditure						
Tenant Participation	115,820	28,812	22,736	(6,076)	115,820	0
Rent Administration	135,360	33,541	32,993	(548)	135,360	0
Estate Management	369,560	91,372	93,977	2,605	369,560	0
Other Revenue Expenditure	1,167,040	271,259	233,967	(37,292)	1,167,040	0
Total Non Repairs & Maintenance Expenditure	1,787,780	424,984	383,673	(41,311)	1,787,780	0
Repairs and Maintenance						
Housing Maintenance Unit (HMU)	3,016,840	751,295	922,920	171,625	3,016,840	0
Building Maintenance Staff (non HMU)	852,560	211,540	188,750	(22,790)	852,560	0
Other Repairs and Maintenance	463,730	115,495	127,268	11,773	463,730	0
Total Repairs & Maintenance	4,333,130	1,078,330	1,238,938	160,608	4,333,130	0
Year- End Adjustments						
Capital Financing Charges	2,987,000	0	0	0	2,987,000	0
Recharge from Housing Services	635,120	0	0	0	635,120	0
Recharge from Central Services	693,360	0	0	0	693,360	0
Total Year-End Adjustments	4,315,480	0	0	0	4,315,480	0
TOTAL REVENUE EXPENDITURE	10,436,390	1,503,314	1,622,611	119,297	10,436,390	0

	Annual Budget 2018/19	Profiled Budget to Month 3	Actual to Month 3	Variance to Month 3	Year-End Forecast	Year-End Variance
	£	£	£	£	£	£
TOTAL REVENUE (SURPLUS) / DEFICIT	(7,283,610)	(2,952,292)	(2,842,184)	110,108	(7,213,610)	70,000
CAPITAL EXPENDITURE ACCOUNT						
2018/19 Expenditure	15,998,276	1,266,272	1,224,275	(41,997)	14,187,149	(1,811,127)
Major Repairs Allowance	(2,665,000)	0	0	0	(2,665,000)	0
TOTAL CAPITAL (SURPLUS) / DEFICIT	13,333,276	1,266,272	1,224,275	(41,997)	11,522,149	(1,811,127)
NET (INCREASE) / DECREASE IN HRA RESERVE	6,049,666	(1,686,020)	(3,055,120)	68,111	4,308,539	(1,741,127)
Opening HRA Balance	(7,406,916)				(7,406,916)	
Net (Increase) / Decrease in HRA Reserve	6,049,666				4,308,539	
Closing HRA Balance	(1,357,250)				(3,098,377)	

APPENDIX B

Service	Annual Budget (£)	Profiled Budget (£)	Total Expenditure (£)	Variance to profile (£)	Projected Expenditure (£)	Projected Under / Over (£)
<u>Housing HRA</u>						
Central Heating Contract	500,000	0	38,003	38,003	500,000	0
Planned Maintenance Contract	3,983,495	841,272	532,463	(308,809)	3,983,149	(346)
Energy Performance Improvement	1,000,000	0	0	0	1,000,000	0
Environmental Works	500,000	0	3,945	3,945	500,000	0
Acquisition of Existing Properties	8,274,781	150,000	150,100	100	6,464,000	(1,810,781)
Premises - Remodelling of Existing Stock	190,000	190,000	189,519	(481)	190,000	0
Public Sector Adaptations	350,000	85,000	111,770	26,770	350,000	0
Fire Risk	200,000	0	3,491	3,491	200,000	0
WHQS	1,000,000	0	194,984	194,984	1,000,000	0
Totals for Housing HRA	15,998,276	1,266,272	1,224,275	(41,997)	14,187,149	(1,811,127)

ISLE OF ANGLESEY COUNTY COUNCIL		
REPORT TO:	EXECUTIVE COMMITTEE	
DATE:	17 SEPTEMBER 2018	
SUBJECT:	BUDGET MONITORING REPORT FIRST QUARTER 2018/19 - CAPITAL	
PORTFOLIO HOLDER(S):	COUNCILLOR R WILLIAMS	
HEAD OF SERVICE:	MARC JONES (EXT. 2601)	
REPORT AUTHOR:	GARETH ROBERTS	
TEL:	01248 752675	
E-MAIL:	GarethRoberts@ynysmon.gov.uk	
LOCAL MEMBERS:	n/a	
A - Recommendation/s and reason/s		
<ul style="list-style-type: none"> It is recommended that the Executive note the progress of expenditure and receipts against the capital budget 2018/19 at quarter 1. 		
B - What other options did you consider and why did you reject them and/or opt for this option?		
n/a		
C - Why is this a decision for the Executive?		
<ul style="list-style-type: none"> This report sets out the financial performance of the Capital budget for the first quarter of the financial year. Budget monitoring is a designated Executive function. 		
CH - Is this decision consistent with policy approved by the full Council?		
Yes		
D - Is this decision within the budget approved by the Council?		
Setting of the annual Capital Budget.		
DD - Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	
2	Finance / Section 151 (mandatory)	n/a – this is the Section151 Officer’s report
3	Legal / Monitoring Officer (mandatory)	
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	

E - Risks and any mitigation (if relevant)		
1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	
F - Appendices:		
<p>Appendix A - Capital Budget Monitoring Report – Quarter 1 2018/19 Appendix B - Summary of the Capital Projects' Expenditure to date against the Capital Budget and the Projected Expenditure at Year-End</p>		
FF - Background papers (please contact the author of the Report for any further information):		
<ul style="list-style-type: none"> • 2018/19 Capital Budget, as recommended by the full Council on 28 February 2018; • 2018/19 Treasury Management Strategy Statement, approved by the full Council on 28 February 2018; and • 2017/18 Capital Outturn Report, presented to this Committee on 18 June 2018. 		

1. INTRODUCTION

- 1.1 This is the Capital Budget monitoring report for the first quarter of the financial year, and allows Members to note the progress of Capital Expenditure and Capital Receipts against the Capital Budget.
- 1.2 In February 2018, the Council approved a Capital Programme for non-housing services of £37.017m for 2018/19 and a Capital Programme of £12.417m for the HRA. In addition, in June 2018, the Council approved Capital Slippage of £9.348m to be brought forward from 2017/18. Since the budget setting process, there have been additional schemes added onto the programme, most of which are grant funded which amounted to £2.556m, and revision of certain budgets amounting to a reduction of £2.485m. This brings the total Capital budget for 2018/19 to £58.853m.

2. PROGRESS ON EXPENDITURE 2018/19

- 2.1 Below is a summary table of the Capital expenditure to 30 June 2018, the profiled budget to 30 June 2018 and the proposed funding of the Capital Programme for 2018/19.

Service	Annual Budget £'000	Profiled Budget £'000	Actual Expenditure £'000	Committed Expenditure £'000	Total Expenditure £'000	% Profiled Budget Spent	% Annual Budget Spent
Housing General Fund	3,188	275	82	-	82	30	3
Housing HRA	15,998	1,266	1,205	19	1,224	97	8
Lifelong Learning	9,791	1,060	1,020	31	1,051	99	11
Economic and Regeneration	6,594	451	476	1	476	106	7
Highways	17,892	1,076	342	156	498	46	3
Waste Management	31	31	29	-	29	95	95
Property	843	-	7	-	7	-	1
Transformation	535	-	9	-	9	-	2
Planning	2,225	20	17	-	17	83	1
Adult Services	1,755	13	11	0	11	87	1
Total	58,853	4,192	3,198	206	3,404	81	6
Funded By:							
Capital Grant	33,559						
Capital Receipts	1,224						
Supported Borrowing	4,878						
Unsupported Borrowing	4,084						
Revenue Contribution	13,329						
Reserves	474						
Loan	264						
Underspend from 2017/18	1,040						
Total Funding	58,853						

- 2.2 The Profiled budget spent to the end of the first quarter for the general fund is 75%, however, only 5% of the annual budget has been spent to date. The reason for this is that a number of the capital schemes are weighted towards the latter part of the financial year. Some capital schemes are well underway, with the majority of the profiled budget for quarter 1 being spent, schemes such as the Llangefni Strategic Infrastructure and the purchase of a new weighbridge. Some capital schemes have yet to commence, but their budget is profiled towards the latter part of the financial year, such as the construction of a 3G pitch at Plas Arthur and fitness equipment at Holyhead Leisure Centre, the purchasing of ICT equipment, refurbishing education buildings and disabled access to education buildings. These schemes and their profile can be seen in Appendix B. There are a number of Capital Grants schemes in 2018/19 and an update on these is provided in section 3.1 of this report.

- 2.3** The Housing Revenue Account has spent 97% of its profiled budget, but only 8% of the annual budget. However, it is currently estimated that the budget will be spent in its entirety come the end of the financial year. During quarter 1, expenditure has predominantly been in connection with contracts procured during 2017/18 i.e. carried forward commitment. It is anticipated that new planned maintenance contracts procured during quarter 1 and anticipated tender results expected during quarter 2 and quarter 3 will fully commit the budget for 2018/19.
- 2.4** The smallholdings programme of improvements, financed from the ring-fenced capital receipts from the sale of smallholdings and rental income, completed during 2016/17, however, there were outstanding works to be completed during 2017/18. At the end of 2017/18 there was a deficit on the programme of £0.078m, to be funded by a further sale of one Smallholding. In April 2018, this smallholding was sold for £0.264m, meaning the programme is in surplus of £0.186m. There are further capital works to be undertaken in 2018/19 for £0.186m to be funded from this surplus. At the end of 2018/19 it is expected that the programme will have a balanced budget. This will bring to an end the major refurbishment programme and any subsequent work will be funded from the revenue funding available.

3. FUNDING

3.1 Capital Grants

3.1.1 There are a number of Capital Grant schemes in the Capital Programme for 2018/19, most of which are underway and progressing, with a brief update on the schemes provided below:-

- Llangefni Link Road – Work on Section 3 continued during quarter 1, 2018/19. Kerbing and road works to centre section up to base of tarmac level are complete. Completion is planned for January 2019.
- Llangefni Strategic Infrastructure – The scheme involves the construction of 5 (five) new industrial units on the old Môn Training site and office extension at the Business Centre for letting to the private sector. Work began on both sites during the latter part of 2017/18, work has continued into this financial year, with work progressing well on both sites. £0.472m of expenditure was incurred during the first quarter of 2018/19, which will be funded through the European Regional Development Fund. It is anticipated that both schemes will be completed by the end of October 2018.
- 21st Century Schools - The funding for Ysgol Cybi and Ysgol Rhyd y Llan has been fully drawn down as part of the 21st century schools programme, and any further works to these schools, including the payment of any outstanding retention, will be funded through borrowing and the Council's resources as part of the Council's 50% contribution towards the project. Work has continued on the new build for Ysgol Santes Dwynwen during the quarter, however, the actual expenditure was under the anticipated profile, but it is expected to be back on profile by the end of quarter 2. The works at Ysgol Brynsiencyn is scheduled to complete in September 2018.
- Market Hall - Following confirmation of the ERDF grant funding contribution towards the project, the Council were able to commit to the Phase II contract which, essentially, transforms a structurally sound and weather-tight Market Hall into a useable building, with a focus on internal changes, mechanical and electrical engineering, IT networks and insulation / heating. The contractor mobilised on the 4th June and progress has been in line with programme expectations, with the first valuation / claim for payment anticipated for the week beginning 23rd July 2018. As the outstanding works all relate to the inside of the building, no unforeseen works are expected and the project should be completed on budget.

3.1.2 There are schemes that are in the Capital Programme that have not yet started or are waiting approval from funding providers, with a brief update on the schemes provided below:-

- Beaumaris Flood Alleviation – Welsh Government has allocated funding for the Beaumaris Flood Alleviation scheme within their programme for 2018/19 financial year. However, a formal offer is subject to an application being made by the Authority once all consents and tender prices are in place to begin works. Currently, it is anticipated these will be in place by late September and, with approval of funding, it is hoped works can commence in late October. These will run into the next financial year, with completion anticipated in May/June 2019.
- Pentraeth Flood Alleviation - Welsh Government has allocated funding for the Nant y Felin, Pentraeth Flood Alleviation scheme within their programme for 2018/19 financial year. However, a formal offer is subject to an application being made by the Authority once all consents and tender prices are in place to begin works. Currently, it is anticipated these will be in place by September and, with approval of funding, it is hoped works can commence in October. It is currently anticipated that works may be completed by March 2019.
- Holyhead Strategic Infrastructure – This scheme is to construct 10 (ten) new industrial units at Penrhos, Holyhead, with the view for works to start on site during 2018/19 and complete by the end of 2019. European Regional Development Funding has been secured and a Joint Venture has been entered into with Welsh Government, which will provide the match funding for the scheme.
- Enable - £0.093m of Welsh Government Grant has been secured for the delivery of adaptations to support independent living. It is expected that this grant will be fully drawn down by the end of the year.
- Tourism Gateway – The project will involve investment in Holyhead Port Facilities including the Railway, improvements to Saint Cybi's church site and the Roman fort and improving the visitor experience in iconic visitor destinations such as Holyhead Mountain. The offer letter has been received for £1.716m of ERDF funding and Officers are currently working to finalise the details of the agreement before the project can commence.
- Road Safety Capital – This scheme will involve capital works on the A5025 road from Menai Bridge to Amlwch. Work will commence later on in the financial year, with the budget for the scheme being £0.220m.
- Tourism Amenity Investment Scheme (TAIS) – Limited expenditure has been incurred during quarter 1. However, the landscaping at the Oriel and the works at the Dingle are due to be completed by the end of September 2018. The grant is expected to be fully utilised this financial year.
- New Highway to Wylfa Newydd – No work is expected to take place during this financial year. The online works will still go ahead but is not likely to start until quarter 2 of 2019/20.

3.2 Capital Receipts

3.2.1 The Capital Receipts for this year to date and the budgeted Capital Receipts are:-

	Budget 2018/19 £'000	Received to 30-Jun-18 £'000	Projection to 31-Mar-19 £'000
Council Fund:			
Smallholdings	264	264	264
General	1,431	6	1,431
Industrial	105	0	105
Schools	1,246	0	1,246
Total	3,046	270	3,046

3.2.2 The projected Capital Receipts at 31 March 2019 is £3.046m, with only £0.270m being received at 30 June 2018 (8.9%), which was mainly from the sale of a smallholding (£0.264m). The forecast Capital Receipts include the sale of the remaining land from the old Ysgol Y Graig, an industrial unit and various schools as part of the 21st Century schools programme.

4. PROJECTED ACTUAL EXPENDITURE 2018/19

4.1 Below is a table with projected Expenditure at 31 March 2019 and the revised funding:-

Service	Annual Budget £'000	Projected Expenditure £'000	Projected Under / Over Expenditure £'000	% Variance
Housing General Fund	3,188	1,450	- 1,738	- 55
Housing HRA	15,998	14,187	- 1,811	- 11
Lifelong Learning	9,791	5,634	- 4,158	- 42
Economic and Regeneration	6,594	4,519	- 2,075	- 31
Highways	17,892	5,088	- 12,804	- 72
Waste Management	31	29	- 2	- 5
Property	843	836	- 7	- 1
Transformation	535	535	-	-
Planning	2,225	2,225	-	-
Adult Services	1,755	1,755	-	-
Total	58,853	36,258	- 22,594	- 38
Funded By:	Annual Budget £'000	Projected Funding £'000	Variance	% Variance
Capital Grant	33,559	14,883	- 18,676	- 56
Capital Receipts	1,224	2,716	1,492	122
Supported Borrowing	4,878	3,803	- 1,075	- 22
Unsupported Borrowing	4,084	2,043	- 2,041	- 50
Revenue Contribution	13,329	11,518	- 1,811	- 14
Reserves	474	1,031	557	118
Loan	264	264	-	-
Underspend from 2017/18	1,040	-	- 1,040	- 100
Total Funding	58,853	36,258	- 22,594	- 38

4.2 As can be seen from table 4.1 (above), the forecast underspend on the Capital Programme for 2018/19 is £22.594m, with this being potential slippage into the 2019/20 Capital Programme. The funding for this slippage will also slip into 2019/20 and will be factored in when producing the Treasury Management Strategy Statement and Capital Programme for 2019/20. The main projects that are forecast to be underspent are:-

- The New Highway to Wylfa Newydd. This project is fully funded from external funding (shown as Capital Grants in Table 4.1)
- Residential Sites for Gypsies and Travellers. The commencement of this project is dependent on the receipt of the necessary planning approval. Once this is obtained, an application will be submitted to the Welsh Government for grant funding to meet the majority of the costs of the temporary stopping site.
- Acquisition of existing properties (HRA) and the development of new properties. These projects will be funded from HRA reserves (shown as Revenue Contribution in Table 4.1) and via borrowing. Work has commenced to the building of new properties, but it is not anticipated that sufficient projects will have been developed to spend the available budget. Any unspent funding will be carried forward to 2019/20.
- 21st Century Schools Llangefni New Build – this project is to be funded through the Welsh Government's 21st Century School Modernisation programme – Band A – 50% from external grants and supported borrowing and 50% from capital receipts and unsupported borrowing. In order to secure the funding, the Final Business Case (FBC) needs to be approved by the Welsh Government as soon as possible, ideally by 31 March 2019. Any delays in moving ahead with this project may result in a loss of the Band A funding.

4.3 The Capital Finance Requirement forecasted at 31 March 2019 is £139.470m, which is the underlying need for the Authority to borrow to be able to fund its Capital Programme. The external borrowing currently stands at £111.422m, meaning the Authority essentially needs to borrow £28.048m to fund the current Capital Programme. If this borrowing is undertaken externally, the Authority will still be within its authorised borrowing limits as per the 2018/19 Treasury Management Strategy Statement (Appendix 11).

5. FUTURE YEARS

5.1 On 30 October 2017, the Executive approved a Capital Strategy for 2018/19 and it was recommended that the 2018/19 Capital Programme funding will be limited to the total of the general capital grant and supported borrowing (as determined by Welsh Government) and estimated value of any capital receipts that will be received. It is expected that the 2019/20 Capital Programme will follow the same principles, with the General Capital Grant and Supported Borrowing used to fund the annual replacement of Vehicles, Investment in ICT, Refurbishing existing assets and an annual allocation to meet the cost of statutory Disabled Facilities Grants. There will also be funding available for the resurfacing of roads and capital projects that attract external grants, and these will be evaluated on a case by case basis.

Once the above projects have been funded, there may be some funding available to fund new capital schemes with priority given to projects which contribute to the Council's objectives as set out in the Corporate Plan 2017 – 2022 and any schemes which can generate future revenue savings or generate additional income.

6. CONCLUSION

6.1 The results at the end of quarter 1 and the associated projected expenditure shows that the majority of projects are on target to be completed within budget but there are 3 major projects (Gypsy and Travellers Sites, Improvements to the A5025 to Wylfa and 21st Century School at Llangefni) which are expected to significantly underspend the budget in 2018/19. However, the funding will be carried forward to 2019/20 and it is not anticipated, at this point, that any funding will be lost due to the delays.

APPENDIX B

Summary of the Capital Projects' Expenditure to date against the Capital Budget and the Projected Expenditure at Year-End

Service	Annual Budget (£)	Profiled Budget (£)	Actual Expenditure (£)	Committed Expenditure (£)	Total Expenditure (£)	Variance to profile (£)	% Profiled Budget Spent	% Annual Budget Spent	Projected Expenditure (£)	Projected Under / Over (£)	% Variance
Housing General Fund											
Disabled Facilities Grants	1,006,790	251,700	75,144	0	75,144	-176,556	30	7	1,006,790	0	0
Residential Site for Gypsies and Travellers	1,858,000	0	0	0	0	0	0	0	120,000	-1,738,000	-94
Compulsory Purchase Scheme	199,095	0	0	0	0	0	0	0	199,095	0	0
Enable Grant	93,200	23,301	6,700	0	6,700	-16,601	29	7	93,200	0	0
Affordable Housing	30,650	0	477	0	477	477	0	2	30,650	0	0
Total	3,187,735	275,001	82,321	0	82,321	-192,680	30	3	1,449,735	-1,738,000	-55
Housing HRA											
Central Heating Contract	500,000	0	38,003	0	38,003	38,003	0	8	500,000	0	0
Planned Maintenance Contract	3,983,495	841,272	530,392	2,071	532,464	-308,808	63	13	3,983,149	-346	0
Energy Performance Improvement	1,000,000	0	0	0	0	0	0	0	1,000,000	0	0
Environmental Works	500,000	0	3,945	0	3,945	3,945	0	1	500,000	0	0
Acquisition of Existing Properties	8,274,781	150,000	150,100	0	150,100	100	100	2	6,464,000	-1,810,781	-22
Remodelling Llawr y Dref	190,000	190,000	189,519	0	189,519	-481	100	100	190,000	0	0
Public Sector Adaptations	350,000	85,000	94,902	16,868	111,770	26,770	131	32	350,000	0	0
Fire Risk	200,000	0	3,491	0	3,491	3,491	0	2	200,000	0	0
WHQS	1,000,000	0	194,984	0	194,984	194,984	0	19	1,000,000	0	0
Totals for : Housing HRA	15,998,276	1,266,272	1,205,335	18,939	1,224,275	-41,997	97	8	14,187,149	-1,811,127	-11
Lifelong Learning											
Disabled Access in Education Building	397,331	0	0	0	0	0	0	0	400,000	2,669	1
Refurbish Education Building	543,949	0	10,702	0	10,702	10,702	0	2	550,000	6,051	1
21st Century Schools - Ysgol Cybi	0	0	1,606	6,352	7,958	7,958	0	0	138,112	138,112	0
21st Century Schools - Ysgol Rhyd Y Llan	0	60,000	58,726	3,750	62,476	2,476	0	0	146,583	146,583	0
21st Century Schools - Ysgol Parc Y Bont	7,000	0	0	0	0	0	0	0	11,874	4,874	70
21st Century Schools - Ysgol Santes Dwynwen	3,357,000	1,000,000	948,546	7,581	956,127	-43,873	96	28	3,357,000	0	0
21st Century Schools - Ysgol Brynisiencyn	203,000	0	0	0	0	0	0	0	263,072	60,072	30
21st Century Schools - Ysgol Esgeifiog	50,000	0	0	0	0	0	0	0	50,000	0	0
21st Century Schools - Llangefni New Build	5,233,000	0	250	13,585	13,835	13,835	0	0	717,089	-4,515,911	-86
Total	9,791,280	1,060,000	1,019,831	31,268	1,051,098	-8,902	99	11	5,633,729	-4,157,551	-42
Economic and Regeneration											
Tourism Gateway	1,397,978	0	1,738	0	1,738	1,738	0	0	400,000	-997,978	-71
Holyhead Strategic Infrastructure	1,370,000	0	812	0	812	812	0	0	400,000	-970,000	-71
Llangefni Strategic Infrastructure	3,357,000	450,000	471,771	600	472,371	22,371	105	14	3,250,000	-107,000	-3
Planning System Invest to Save	69,346	1,371	1,371	0	1,371	0	100	2	69,346	0	0
Llangefni 3G pitch	200,000	0	0	0	0	0	0	0	200,000	0	0
Holyhead Fitness Equipment	200,000	0	0	0	0	0	0	0	200,000	0	0
Total	6,594,324	451,371	475,692	600	476,292	24,920	106	7	4,519,346	-2,074,978	-31

Service	Annual Budget (£)	Profiled Budget (£)	Actual Expenditure (£)	Committed Expenditure (£)	Total Expenditure (£)	Variance to profile (£)	% Profiled Budget Spent	% Annual Budget Spent	Projected Expenditure (£)	Projected Under / Over (£)	% Variance
Highways and Transportation											
Car Parks	12,920	6,000	5,990	0	5,990	-10	100	46	12,920	0	0
Vehicles	150,000	120,000	0	114,650	114,650	-5,350	96	76	150,000	0	0
County Prudential Borrowing Initiative	1,592,000	425,000	52,425	0	52,425	-372,575	12	3	1,592,000	0	0
Beaumaris Flood Alleviation Works (WG)	954,288	0	21,365	670	22,035	22,035	0	2	950,000	-4,288	0
Pentraeth Flood Alleviation Works (WG)	1,000,000	0	0	0	0	0	0	0	200,000	-800,000	-80
New Highways to Wylfa Newydd	12,000,000	0	0	0	0	0	0	0	0	-12,000,000	-100
Llangefni Link Road	1,671,000	339,000	127,973	8,752	136,725	-202,275	40	8	1,671,000	0	0
Tais Grant Oriel Mon, Lon Las & Dingle	128,000	0	1,187	0	1,187	1,187	0	1	128,000	0	0
A545 Beaumaris	120,000	120,000	91,076	31,606	122,681	2,681	102	102	120,000	0	0
Salix Phase 3 - Street Lights	264,000	66,000	42,258	0	42,258	-23,742	64	16	264,000	0	0
Total	17,892,208	1,076,000	342,274	155,677	497,951	-578,049	46	3	5,087,920	-12,804,288	-72
Waste Management											
New Weighbridge	30,590	30,590	28,995	0	28,995	-1,595	95	95	28,995	-1,595	-5
Total	30,590	30,590	28,995	0	28,995	-1,595	95	95	28,995	-1,595	-5
Property											
Refurbish Existing Assets	406,934	0	0	0	8,500	0	0	0	400,000	-6,934	-2
Invest To Save Property	250,000	0	0	0	0	0	0	0	250,000	0	0
Smallholdings	186,000	0	7,141	0	0	7,141	0	4	186,000	0	0
Total	842,934	0	7,141	0	8,500	7,141	0	1	836,000	-6,934	-1
Transformation											
ICT- Core Infrastructure	182,701	0	8,500	0	8,500	8,500	0	5	182,701	0	0
ICT - Desktop Refresh	121,000	0	0	0	0	0	0	0	121,000	0	0
ICT - Legacy System Migration	20,000	0	0	0	0	0	0	0	20,000	0	0
ICT - MS Licensing	106,000	0	0	0	0	0	0	0	106,000	0	0
CRM System Invest to Save	105,643	0	0	0	0	0	0	0	105,643	0	0
Total	535,344	0	8,500	0	8,500	8,500	0	2	535,344	0	0
Planning											
Holyhead Market Hall Hub Project	2,225,000	20,000	16,524	0	16,524	-3,476	83	1	2,225,000	0	0
Total	2,225,000	20,000	16,524	0	16,524	-3,476	83	1	2,225,000	0	0
Adult Services											
ICF	731,000	0	0	0	0	0	0	0	731,000	0	0
Invest to Save Wifi Canolfan Byron	8,750	3,000	2,708	0	2,708	-292	90	31	8,750	0	0
Seiriol	1,000,000	0	0	0	0	0	0	0	1,000,000	0	0
Garreglwyd	15,424	10,000	8,599	6	8,605	-1,395	86	56	15,424	0	0
Total	1,755,174	13,000	11,307	6	11,313	-1,687	87	1	1,755,174	0	0
Total	58,852,865	4,192,234	3,197,919	206,491	3,405,769	-787,824	81	6	36,258,393	-22,594,472	-38

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ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	EXECUTIVE COMMITTEE
DATE:	17 SEPTEMBER 2018
SUBJECT:	ANNUAL TREASURY MANAGEMENT REVIEW FOR 2017/18
PORTFOLIO HOLDER(S):	COUNCILLOR R WILLIAMS
LEAD OFFICER(S):	R MARC JONES
CONTACT OFFICER(S):	GARETH ROBERTS/CLAIRE KLIMASZEWSKI (EXT. 2675/1865)
Nature and reason for reporting	
<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 this Committee without comments. It will be presented to the full Council following this Committee.</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:-

Data for Actual Prudential and Treasury Indicators	2016/17 Actual £000	2017/18 Original £000	2017/18 Actual £000
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;
- (iii) Consider the annual treasury management report for 2017/18 and pass on to the next meeting of the full Council with any comments.

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
Total capital expenditure	37	53	29
Non-HRA financed in year	28	40	20
HRA financed in year	9	13	9
Non-HRA capital expenditure financed by borrowing	11	13	7
HRA capital expenditure financed by borrowing	0	0	0

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.

CFR: Council Fund	2016/17 Actual (£m)	2017/18 Budget (£m)	2017/18 Actual (£m)
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 £8.83m 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 2nd 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 20th October 2017 at an interest rate of 0.33% for a period of 3 months. Upon maturity on the 19th 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 6th 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 17th 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 19th 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**

FINANCIAL ASSETS	Nominal / Principal (£)	Fair Value (£)
Cash (interest bearing accounts) (1)	5,993,375	6,007,584
 FINANCIAL LIABILITIES		
PWLB loan – Fixed	111,184,478	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
 Counterparties		
(1) 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 Gwrthbartion 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 Gwrthbartion 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.

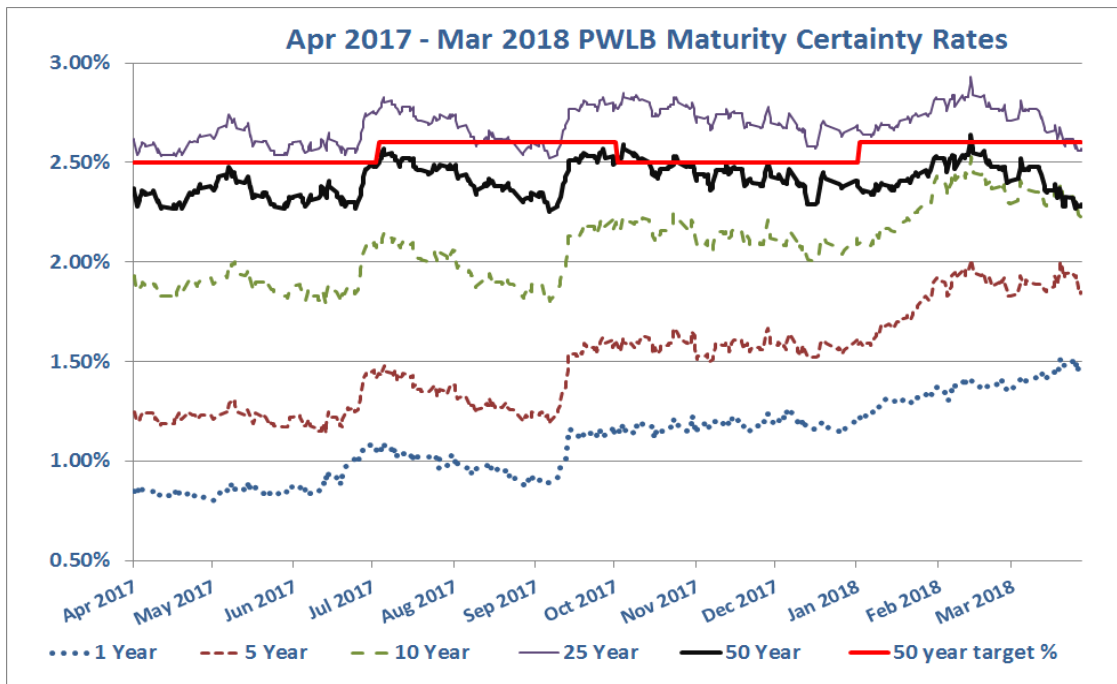
USA. Growth in the American economy was volatile in 2015 and 2016. 2017 followed that path again with quarter 1 at 1.2%, quarter 2 3.1%, quarter 3 3.2% and quarter 4 2.9%. The annual rate of GDP growth for 2017 was 2.3%, up from 1.6% in 2016. Unemployment in the US also fell to the lowest level for 17 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.

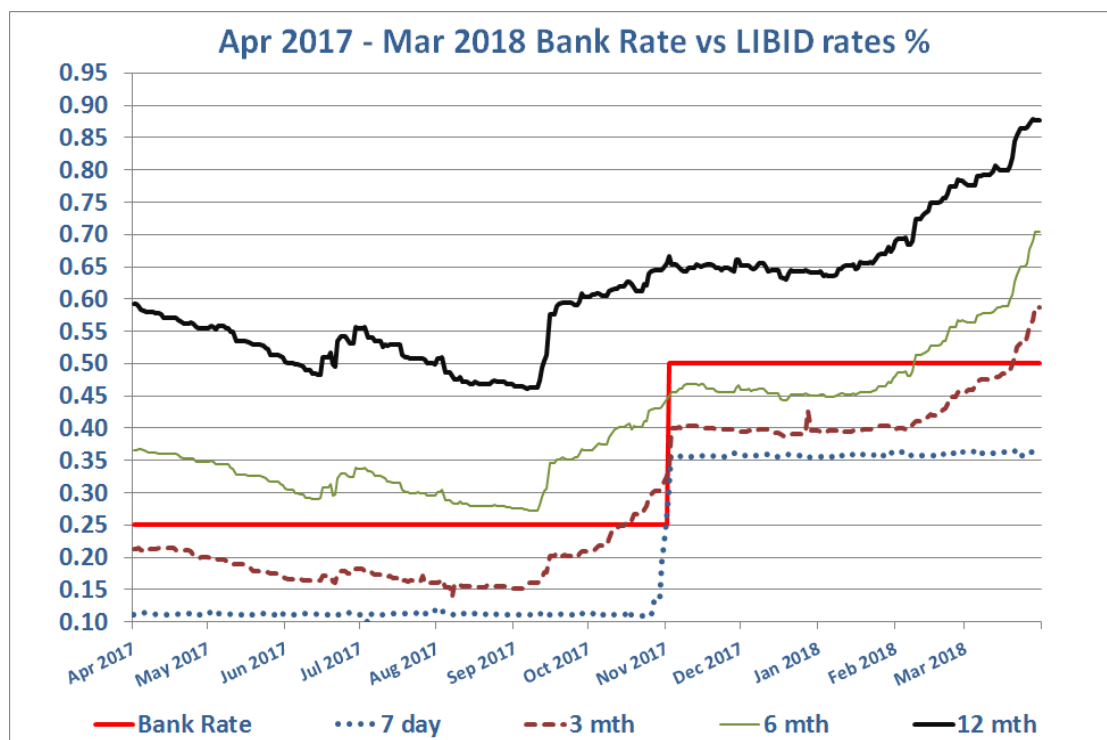
2. Borrowing Rates in 2017/18

PWLB certainty maturity borrowing ratesAs 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.



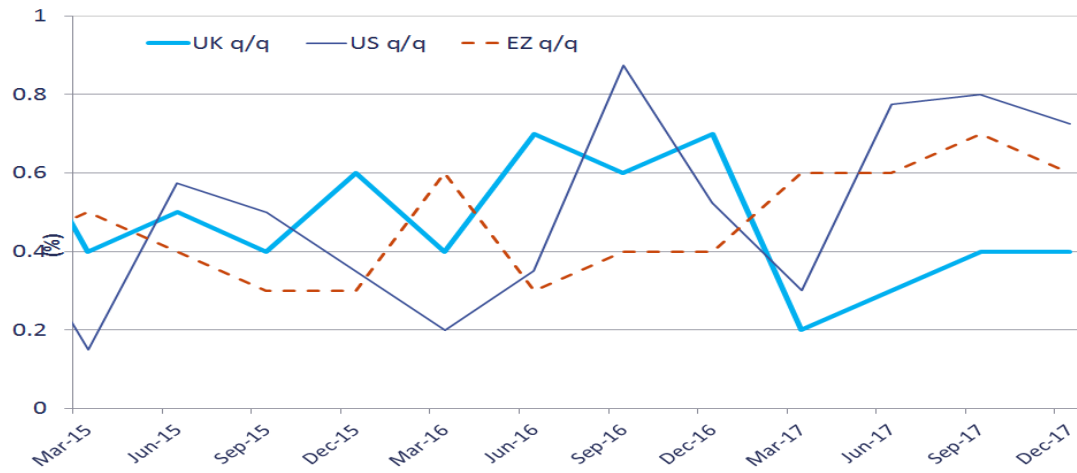
3. Investment Rates in 2017/18

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.

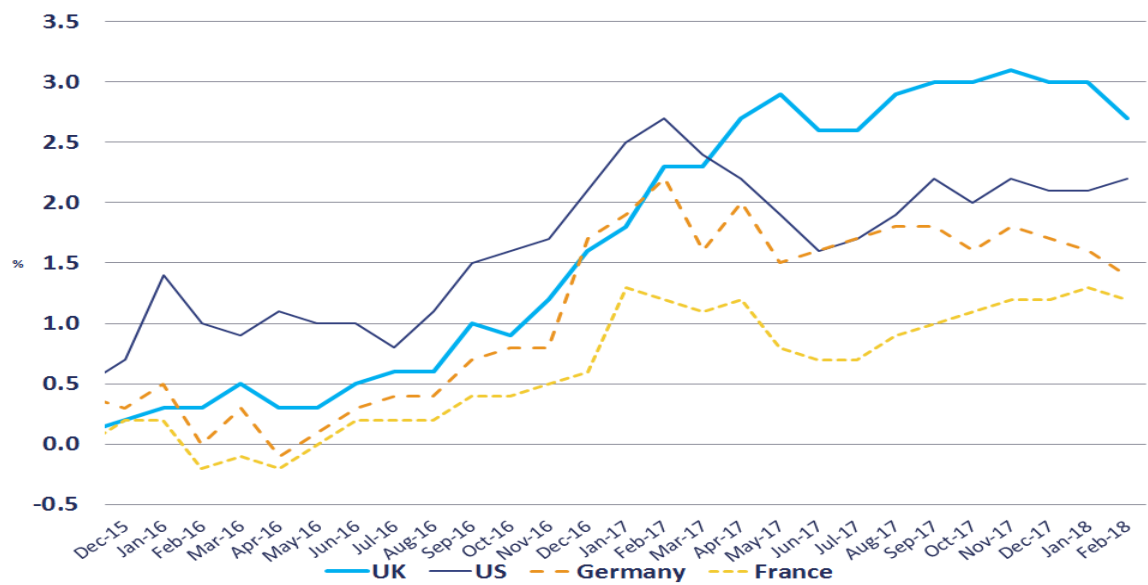


4. Other Graphs

UK, US and EZ GDP growth

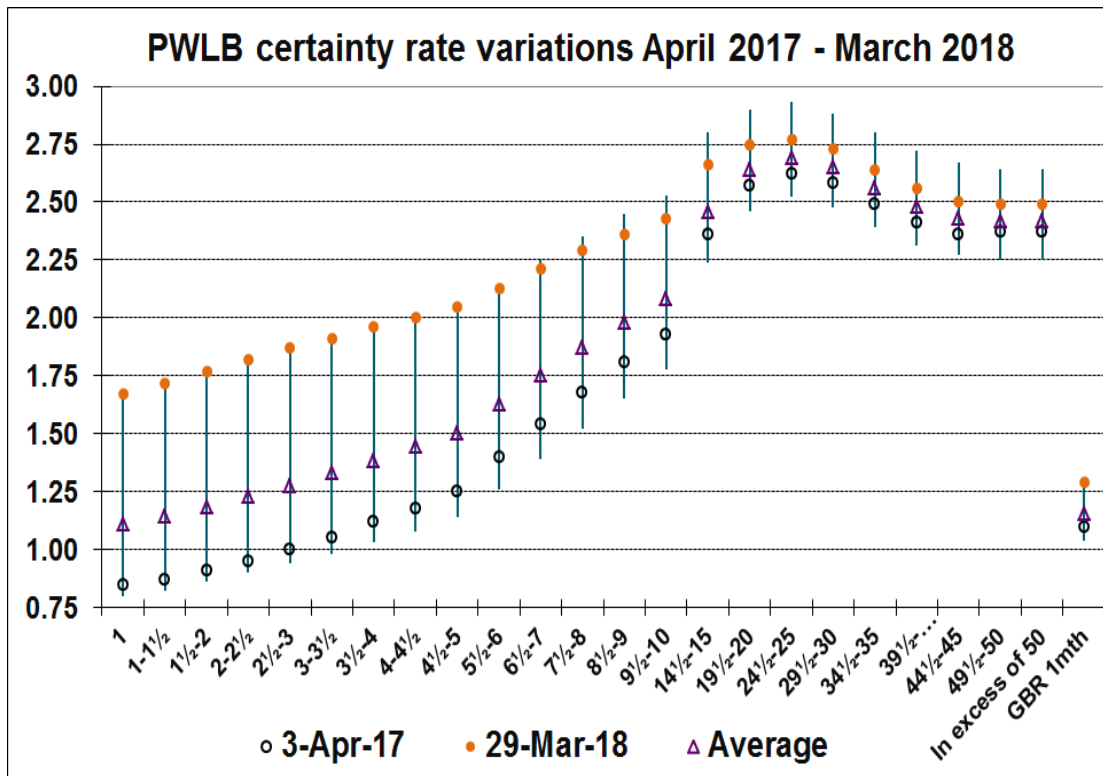


Inflation UK, US, Germany and France



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

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	The Executive
Date:	17.09.18
Subject:	Children and Families Services Progress Report
Portfolio Holder(s):	Councillor Llinos Medi
Head of Service:	Fôn Roberts, Head of Children and Families Services
Report Author:	Elin Williams, Children & Families Services Transformation Programme Manager
Tel:	01248 751813
E-mail:	ElinWilliams@ynysmon.gov.uk
Local Members:	Relevant to all Members

A –Recommendation/s and reason/s
<p><u>Background</u></p> <p>As Elected Members you are fully aware of the background regarding the Service Improvement Plan and that this is regularly reviewed by the Children’s Services Improvement Panel.</p> <p>Since the last report the focus of the work within the Children & Families Service has been:</p> <p>1. <u>Recruitment and Retention</u></p> <p>The service has advertised for “Experienced Social Workers”, and despite the national shortage of such workers has recently been successful in recruiting two experienced Social Workers. The service has also implemented the contingency plan, which is to recruit Newly Qualified Social Workers (NQSW) into these posts and then employ for experienced agency social workers “over capacity” for a period of 1 year. This is to support the NQSW’s throughout their first three years in Practice framework, which is a statutory framework. We have recently appointed 5 Newly Qualified Social Workers to the Service. We will continue to recruit until we have appointed permanent Social Workers.</p> <p>The Executive agreed in May 2018 to release £268,008 additional funding from the Council reserves to fund the additional requirements regarding recruitment. This money is used to:</p> <ul style="list-style-type: none"> • employ 7 NQSW to the fieldwork teams from October 2018 (3 already appointed); • to support the 7 NQSW by going over establishment by 4 agency Social Workers for 12 months; • to extend the legal capacity within the Service (which is currently 1.5 FTE) by

employing an additional 1 FTE Solicitor for a period of 12 months;

- to recruit 3 agency Social Workers and 1 Practice Leader over establishment to work on Legacy Cases.

The Legacy Cases Team are in place and are auditing, assessing and progressing legacy cases to the correct plan or to the Courts. These cases are either:

1. Cases that have had poor decision making historically
2. Cases that have drifted
3. Cases not on the right plan
4. Professional tolerance in neglect & emotional abuse
5. Lack in an inquiring mind social work approach

A consultation exercise has taken place in relation to the re-structuring of both the Child Placement Team and Family Support Team. The consultation period has now closed. These are the last but one sections of the Service that are being restructured. The restructure will reduce the number of workers within the teams and will make more effective use of resources. There should be no job losses as there are other vacancies within the Service.

2. Independent Support Team (IST) Report

The Independent Support Team (IST) has been working with the Service to support improvement following the inspection upon request of the Director of Social Services. They had particularly focused on the following areas:

- Check on concerns expressed by the Head of Service regarding the quality of practice;
- Measure progress in developing an effective Workforce Strategy;
- Establish the extent to which a Quality Assurance Framework (QAF) was in place.

They have undertaken a considerable amount of work with the Service and have been reviewing various aspects and providing feedback on what is working well and what needs to be improved. They presented their final report to the Children's Services Improvement Panel during July 2018.

The IST stated that *“there are a number of encouraging and positive features that have become apparent during the IST’s work and it is important that every effort is made to sustain and build upon them”*:

- *There is a clear leadership/ management structure in place;*
- *The Director of Social Services has played a prominent part in leading the response to the CSSIW Report and in work to strengthen the performance of children’s services.*

- *She is supported by a Head of Service appointed in November 2017. He has considerable and relevant experience and is showing clarity of purpose and great energy in tackling the improvement agenda.*
- *The team of 4 Service Managers are all experienced and respected professionals;*
- *The Authority responded quickly to the 2017 Inspection Report by producing a comprehensive Service Improvement Plan, initiating action to implement its constituent parts and monitoring progress on each of these on a regular basis. It is important to acknowledge the important part which the Interim Head of Service played in developing the SIP and in coordinating the ongoing review of progress made;*
- *Arrangements were made to provide Social Workers with improved management, mentoring and support and a new operational structure involving the creation of 9 Practice Leader posts each responsible for a small team of Social Workers was put in place;*
- *All the Practice Leaders were in post by August 2017;*
- *Working arrangements at an operational level between the service and Corporate HR are good and result in efficient recruitment to vacant posts and relevant staff training and development programmes;*
- *The Safeguarding, Quality Assurance and Improvement Unit has, under the leadership of its new Service Manager, made significant changes to the way it operates. It is now in a position to report regularly on the service's performance and, by working with the other Service Managers, to contribute to service improvement;*
- *The Early Intervention and Prevention Service is led by a highly committed Service Manager, is functioning well, is increasing in effectiveness and is model which other authorities could usefully learn from;*
- *It is important to recognise that there are some signs of improvement in the quality of practice. However, there remain concerns about the extent to which this is consistently the case;*
- *Staff are generally positive about the changes that have taken place and identify the need for change, particularly in the service model to be developed in the Authority;*
- *The Chief Executive is giving time to overseeing progress in improving children's social services, is clear about his expectation that this should be brought about and provides practical and financial support when particular problems need to be addressed;*
- *The Leader of the Authority has formalised her support to the service by chairing the Children's Services Improvement Panel and also undertaking the responsibilities of the Social Services Portfolio holder. The latter is an unusual arrangement in the context of local government in Wales and is to be much welcomed in the situation faced by the Authority;*
- *The level of political understanding, particularly on the part of Senior Members, of the issues being tackled within children's social services is high. This is evidenced in the deliberations of the Improvement Panel, in the performance of the Children's Champion and in the engagement of the Chair of the Partnership and Regeneration Scrutiny Committee.*

Taken together, these form an impressive range of factors that bode well for the

achievement of continuing improvement across children's social services in the Authority.

The following are the conclusions that the IST have reached following working with the Service:

- It is important to recognise the challenge which the Authority faced in responding to the findings of the CSSIW Inspection Report and the recommendations that it contained. A Service Improvement Plan was quickly prepared and a comprehensive improvement programme implemented. Important structural changes, including the creation of a new tier of Practice Leaders each with small team of Social Workers, were put in place and new Service Manager arrangements were implemented. An Early Intervention and Prevention Service has been established in accordance with the requirements of the Social Services and Well-being (Wales) Act 2014, and this provides a model which others could usefully emulate. The Director was successful in securing Corporate and Political agreement for these changes and was able to appoint a new Head of Service by November 2017. The new staffing arrangements were implemented over a commendably short period of time.*
- The pace of change in children's services has been considerable and the IST has seen during its work that a noticeable improvement in morale and a commitment to the direction being taken within the service has been achieved. Encouraging progress has also been made in reducing the service's dependence on Agency Social Workers and in increasing the number of permanent appointments that it has been able to make.*
- The inadequacy of WCCIS has however had a detrimental effect on the Authority's efforts to improve. Its serious limitations have been referred to throughout this Report. Managers are very clear about the problem, and a programme of work aimed at tackling the system's deficiencies is now in hand. This will need sustained attention and it is to be hoped that the service will be able to move to a position where it can achieve, at both operational and strategic level, what it had initially hoped it would get from the system.*
- In the view of the IST, there are major issues which will need on going attention if the Authority is to build upon the encouraging platform it has now created. These are identified in the Report and have been shared with Senior Officers as our work has progressed. We should like at this point to pay tribute to the open and positive way in which staff within children's services and across the Authority together with Councillors have cooperated with us during our work. Managers have throughout ensured that we have had the access that we needed and have responded positively by addressing the issues we have raised. This is evidenced at a number of points in the Report and particularly in the section entitled "Matters which Require and are Receiving Priority Attention". This is the appropriate point to record our thanks to them all.*

Findings and recommendations from the report are being considered in order to continue

with improvements within the Service.

3. Improvement in Performance Indicators

There is a marked improvement against Performance Indicators (PIs) during the last quarters. It should be noted that due to the relatively low numbers of children on the Child Protection Register and children and young people who are looked after within the Local Authority, it only takes a small amount of children and young people (2-4) to make significant changes to the PIs, but it can be clearly seen that there have been improvements.

The following evidence the improvement during Quarter 1 of 2018/19 compared to the cumulative figures for 2017/18 on these specific national Performance Indicators and local Performance Indicators:

	Key Performance Indicator	2017/18 Cumulative	Q1 2018/19
PM C-24	The percentage of assessments completed for children within statutory timescales (42 working days).	67.57%	96.39%
PM C-27	The percentage of re-registrations of children on local authority Child Protection Registers (CPR) within 12 months of previous end of registration.	6.35%	0%
PM C-32	The percentage of looked after children who have experienced (1) or more changes of school, during a period or periods of being looked after, which were not due to transitional arrangements, in the year to 31 March.	32.29%	0%
PM C-33	The percentage of looked after children on 31 March who have had 3 or more placements during the year.	9.15%	1%
PM C-34	The percentage of all care leavers during previous year (2016-17 for 2017-18 and 2017-18 for 2018-19) who are in education, training or employment at 12 months after leaving care.	38.00%	63%
PM C-36	The percentage of care leavers who have experienced homelessness during the year, to include all 16-24 year old relevant young people.	5.00%	4.00%
SCC006	The percentage of referrals during the year on which a decision is made within 1 working day.	86.31%	96.00%
SCC/010 (Local)	The percentage of referrals that are re-referrals within 12 months.	15.00%	11.87%

The figures are encouraging and show that the Service is improving against performance indicators, and the Service is working hard to ensure that the improvement is maintained and further improved.

4. Positive Comments

The number of positive comments have increased within the Service which is a very positive improvement in terms of the quality of the service that is provided to children, young people and families on Anglesey.

The last financial year saw an increase in positive comments from the previous year. During 2017/18, 96 positive comments were received by Children and Family Services with 32 being from other professionals, whilst 64 were from service users, their representatives or family members, or foster carers.

The Service has received 33 positive comments during quarter 1 of this year which is encouraging for the Service. Complaints to the Service have also reduced, however it must be acknowledged that due to the nature of the Service and the functions it carries out, we will inevitably receive complaints.

5. Corporate Performance

Considerable improvement has been seen in terms of the performance of the Service in relation to achieving corporate performance standards.

Where historically the Service has not performed as well with achieving corporate standards such as reaching the corporate sickness absence target and completing the mandatory on-line training modules, the Service is now performing better against targets.

In relation to online training compliance in Children's Services has improved significantly, with an average compliance rate of 99% as at 24 July 2018, compared with an average of 57% at the end of the six-week acceptance periods.

6. IOACC Foster Carers Celebration Event – 10th July 2018

The service recently organised a fostering celebration event to say "thank you" to all local authority foster carers and family & friends (connected persons) foster carers.

This was an opportunity, not only for foster carers to meet the senior leadership team, staff and elected members of the Council, but was also, more importantly, an opportunity for the authority to formally recognise the valuable work that foster carers do, 24-hours-a-day, with some of Anglesey's most vulnerable children and young people.

Councillor Llinos Medi invited foster carers one by one to each receive a certificate of thanks and to share a few words about their fostering experiences. Whether mainstream or kinship, newly approved or more experienced carers, they all voiced heartfelt instances of what it means to help a child fulfil their potential and the joy in seeing them thrive and achieve.

The service was also pleased to be able to announce free Isle of Anglesey Leisure Services Membership for approved Council foster carers and for looked after children and young people at the event. Having previously agreed to provide free leisure membership for Anglesey care leavers, we are very grateful to the leisure service for extending this to

include all Anglesey foster carers and children looked after.

The need for this event arose out of discussions between the Service and its foster carers at the Anglesey Foster Care Forum. The forum agreed that some form of formal recognition as an acknowledgment of the role of foster carers by the Local Authority as a corporate parent, was important. Previously the Local Authority held an annual 'long service awards' ceremony for foster carers, however not for a number of years. The celebration event was very different and the first of its kind in Anglesey.

Feedback from foster carers who were able to attend was positive, with comments about the celebration, and how it highlighted how valued they are by all levels of staff and administration within the Authority.

The Service wishes to thank the elected members who attended the Celebration Event.

7. Strategic Partners Workshop- 19th July 2018

The Service has been working hard to improve partnership working and in particular with strategic partners. A Strategic Partners Workshop was held on the 19th July 2018 in order to share progress with partners and to ask them to continue to be a part of the journey to improvement. The workshop explained the findings of the inspection and outlined how the Service has responded to the recommendations made by CIW. The progress made over the last year was shared and the priorities for 2018-19 were discussed and future developments outlined.

8. Financial Implications

As of the Quarter 1 budget monitoring, the Service is forecasted to overspend by £1.28m for 2018/19. This is after the release of the reserves and contingencies for Resilient Families/Edge of Care, Agency Staff Costs and Looked-after Children. Nonetheless, this is a significant improvement on the outturn for 2017/18 which showed an overspend position of £1.78m.

The Head of Service continues to scrutinise all contracts and will at times challenge costs in particular to looked after children provision. An effort is also made to reduce spending across the service and this in turn has reduced the projected overspend to date.

RECOMMENDATIONS

- To confirm that the Committee is satisfied with the steps taken to progress implementation of the Service Improvement Plan and the pace of progress.
- To confirm that the Committee is satisfied with the pace of progress and improvements made to date within Children and Families Services.

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

CC-016749-LB/229501

Not applicable.

C – Why is this a decision for the Executive?

The Service needs confirmation by the Executive that they are satisfied with the steps taken to progress implementation of the Service Improvement Plan and improvements made to date within Children and Families Services.

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

Yes.

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

Yes.

DD – Who did you consult?

What did they say?

	DD – Who did you consult?	What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	This was approved by the SLT on the 28 th August 2018.
2	Finance / Section 151 (mandatory)	As above.
3	Legal / Monitoring Officer (mandatory)	N/A
4	Human Resources (HR)	N/A
5	Property	N/A
6	Information Communication Technology (ICT)	N/A
7	Procurement	N/A
8	Scrutiny	The report is due to be presented to the Corporate Scrutiny Committee on the 12 th September 2018.
9	Local Members	N/A
10	Any external bodies / other/s	N/A

E – Risks and any mitigation (if relevant)

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

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

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Executive
Date:	17 th of September 2018 Full Council 25 September 2018
Subject:	Role And Accountabilities Of The Statutory Director Of Social Services
Portfolio Holder(s):	Cllr Llinos Medi Huws
Director and Head of Service:	Dr Caroline Turner – Assistant Chief Executive and Statutory Director of Social Services
Report Author: Tel: E-mail:	Dr Caroline Turner - Assistant Chief Executive and Statutory Director of Social Services Dafydd R Bulman – Strategic Transformation and Business Manager
Local Members:	All Elected Members

A –Recommendation/s and reason/s
<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"> 1.1 Adopts the Protocol included in Appendix 1; 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.

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

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

D – Is this decision within the budget approved by the Council?
There are no budgetary implication

DD – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	This paper was discussed at a meeting of the Senior Management Team on the 28 th August 2018
2	Finance / Section 151 (mandatory)	This paper was discussed at a meeting of the Senior Management Team on the 28 th August 2018
3	Legal / Monitoring Officer (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	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Procurement	
8	Scrutiny	
9	Local Members	
10	Any external bodies / other/s	

E – Risks and any mitigation (if relevant)		
1	Economic	
2	Anti-poverty	
3	Crime and Disorder	

4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	

F - Appendices:	
Appendix 1 - 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	

FF - Background papers (please contact the author of the Report for any further information):	
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) - http://gov.wales/docs/dhss/publications/160322part8en.pdf	

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

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Executive Committee
Date:	17th September, 2018
Subject:	Corporate Health and Safety Annual Report
Portfolio Holder(s):	
Head of Service:	Dylan J Williams Head of Service Regulation and Economic Development
Report Author:	R K Rowlands
Tel:	2822
E-mail:	rkrpp@ynysmon.gov.uk
Local Members:	

A –Recommendation/s and reason/s
<p>That the Authority considers the Corporate Health and Safety Annual Report and implements development plan.</p> <p><u>Executive Summary</u></p> <p>Significant work has been carried out involving Senior Officers, Human Resources and Corporate Health and Safety to establish a method of revitalising Health and Safety within the council. The development of a new Corporate Health and Safety Policy clarifying roles and responsibilities for all stakeholders with the council has been the key work stream at a senior level. Revised role of Health and Safety Coordinators to be more active in improvement of health and safety is a significant change in the arrangements.</p> <p>A total of 1322 incidents were recorded which was a reduction of 111 from the previous year. This figure included pupils, client and members of the public. A total of 249 incidents were recorded for employees only. There was a reduction of 46 from previous year. A breakdown of the type of incidents is presented in the report. Where trends or patterns of incidents occurred work was done to reduce the risk. This should have assisted with the reduction in incidents. This is a continuous process.</p> <p>There was a total of 20 incidents reported to the HSE as required by RIDDOR. Reports on each incident were provided to the HSE. No follow up action was taken by the HSE which indicated they were satisfied with the work done to prevent recurrence.</p> <p>A total of 92 short training courses were provided with regard to health and safety with 892 staff members attending.</p> <p>Partnership work was carried out with the six North Wales Corporate Health and Safety Teams and information from WLGA provided to assist Health and Safety work streams. Gwynedd CC has provided Occupational Health and Training support.</p>

Information to assist the HSE has been provided. There were no interventions from the HSE during 2017/18. The Corporate Health and Safety team carried out 336 proactive interventions to assist with Health and Safety issues. A monthly Health and Safety bulletin was introduced to assist with raising awareness.

A Corporate Health and Safety Action Plan has been developed to aid improvement in Health and Safety standards within the Authority.

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

Do nothing – this option was dismissed as the authority may be seen as not considering Health and Safety and would not support the work which has been done.

C – Why is this a decision for the Executive?

There is a requirement for the Executive to consider Health and Safety arrangements and performance.

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

Yes

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

Yes

DD – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	Agreed report
2	Finance / Section 151 (mandatory)	
3	Legal / Monitoring Officer	

	(mandatory)	
4	Human Resources (HR)	Provided information on Training and Occupational Health
5	Property	
6	Information Communication Technology (ICT)	
7	Procurement	
8	Scrutiny	
9	Local Members	
10	Any external bodies / other/s	

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

F - Appendices:
Corporate Health and Safety Annual Report 2017/18 Corporate Health and Safety Action Plan

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



CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

Health and Safety Report 2017/18

Corporate Health and Safety Annual Report

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1 Introduction

The Isle of Anglesey County Council's Corporate Health and Safety Policy includes a commitment to the preparation and publication of an Annual Health and Safety Report.

Welsh Local Government Association (WLGA) had developed a framework and guidance for the production of an Annual Health and Safety Performance Report. The framework and guidance provides a series of headings to assist with the reporting of health and safety performance. This framework was not intended to be a comprehensive analysis of health and safety but should assist in identifying the commitment, ability and direction of the management of occupational health and safety. This report follows the format provided by WLGA.

For a number of years there has been significant change in the management structure with the authority. There has been significant reduction to the budget available to the council. Maintaining steady performance and attempting to improve performance under these pressures have taken significant effort.

2 Corporate Management

The Senior Leadership Team (SLT) have been in post for a number of years and have been instrumental in instigating new methods of governance. Regular meetings of SLT considered reports on current issues and possible implementation of new working methods. This allows a senior overview of the management of the council.

Regular meetings of the Penaethiaid Group should enable escalation of any issues to SLT to ensure appropriate action can be taken to resolve matters, health and safety related or other.

The constitution of the council identifies responsibilities within the management structure. During 2017/18 a revised Corporate Health and Safety Policy was developed. The revised policy further identifies Health and Safety responsibilities. Previously this was identified within a Corporate Responsibilities Document.

The Corporate Health and Safety Policy states the intention of the council to provide a safe working environment and the methods to achieve this. Identifying the roles and responsibilities within the Health and Safety Policy simplifies the presentation of the information.

The Corporate Health and Safety Policy is on the Corporate Policy Portal and is mandatory for all staff to read and accept the content. This should ensure full awareness of the content and further enforce the roles and responsibilities of all staff.

The Performance Review work includes the production of annual business plans, assessment and approval of the plans by SLT. This allows accountability across the council with targets and goals identified in business plans.

During 2017/18 a Corporate Health and Safety Plan was developed to be implemented by Services. A significant number of meetings have been held involving the Chief Executive Officer, HR Team members and Corporate Health and Safety Team members to develop the revised Health and Safety Policy, Corporate Health and Safety Action Plan and supporting documents.

Whilst the above documents were being developed, there has been an expectation on Service to develop individual Service Health and Safety Plans which should mitigate most risks to the individual Services.

3 Statistical Information

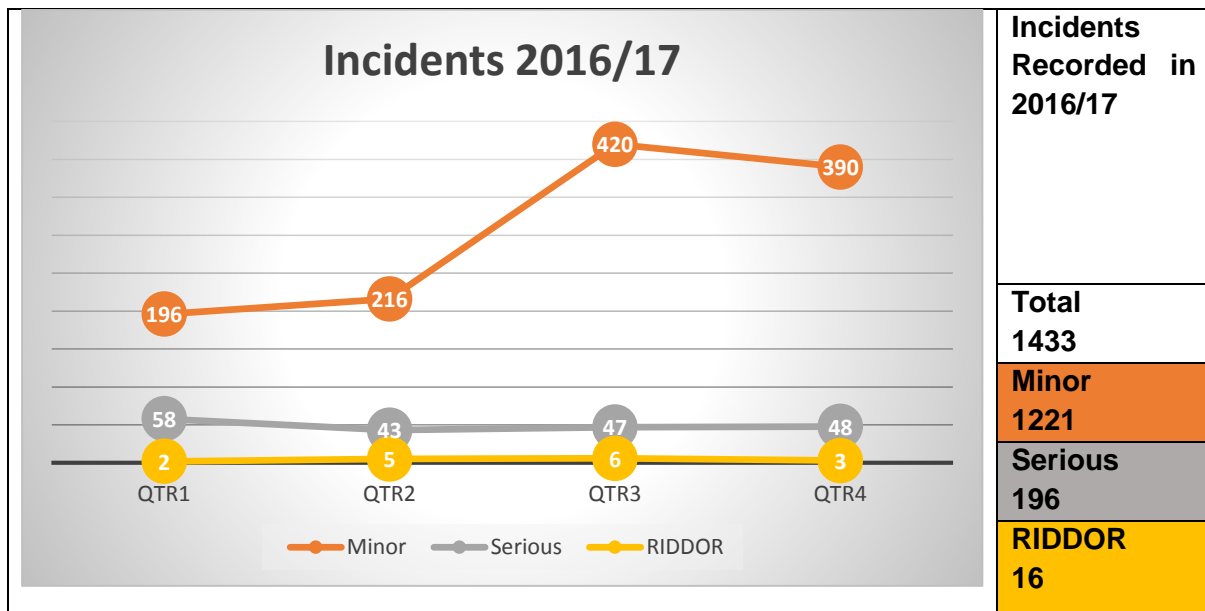
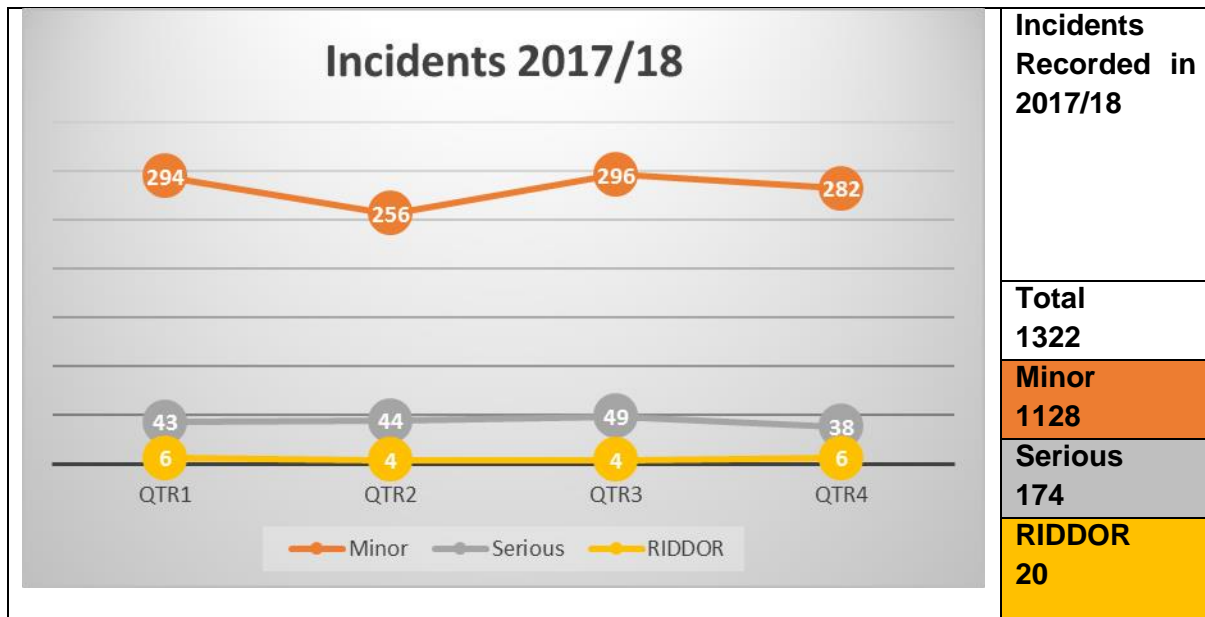
The data presented below was with regard to all accidents and incident reported during 2017/18. The internal classification of accident and incidents has been in three categories, these were Minor, Serious and RIDDOR.

Minor accidents and incidents would have been accidents / incidents where the resulting injury or loss was insignificant. This includes accident and incidents which resulted in no injury or loss and the potential outcome may be insignificant if injury or loss had occurred.

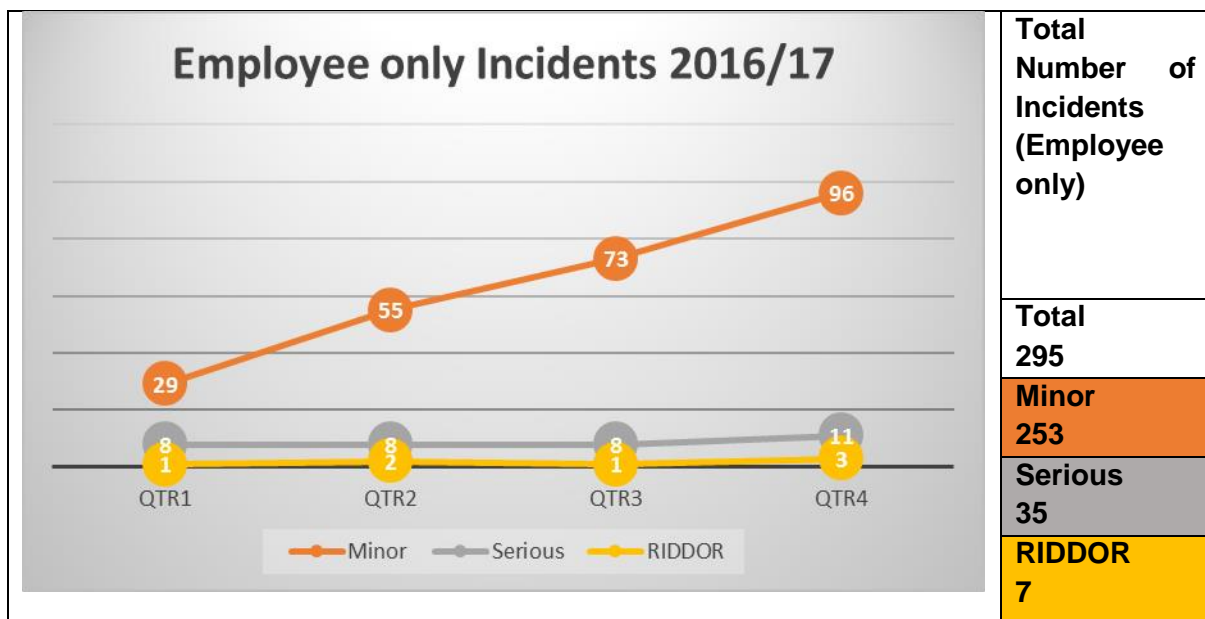
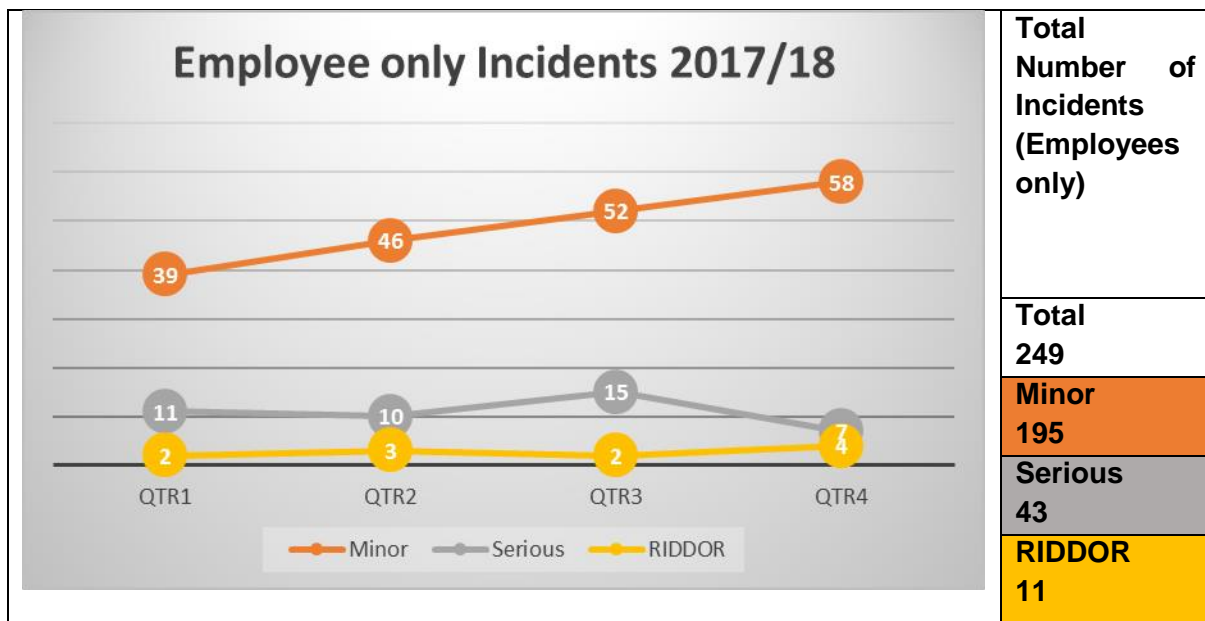
Serious accidents / incidents were where the outcome resulted in significant injury or loss or where there was potential for significant injury or loss. This includes accident and incidents which resulted in no injury or loss but the potential outcome may be significant if injury or loss had occurred.

RIDDOR accidents and incidents were accidents or incidents which met specific criteria that required reporting to the HSE. The criteria for reporting types of accidents and incidents are provided within the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations.

The table below presents the number of accident and incidents for the whole authority. This includes incidents involving members of the public, service users, school pupils, contractors, facilities as well as employees.



The tables below presents the number of accidents and incidents involving employees only.



The table below list the types of incidents which occurred. The list is in descending order from the highest number of incidents in 2017/18. The number of similar incidents in 2016/17 are presented in column three of the table.

Types of Incidents	2017/18	2016/17
Loss of Balance	184	148
Playground accident/incident (schools)	155	193
Slip Trip Fall, Same level	136	248
Another kind of accident	124	90
Physically Assault by person (challenging behaviour) (client and pupil related incidents)	103	56
Hit something fixed or static	88	113
Property Loss/Damage	72	57
Violent Incident (abuse, harassment)	53	73
Fall out of bed (client related incidents)	50	22
Hit by moving/flying object	47	58
Physically assaulted by person	45	37
Medical Condition	42	34
Sporting Injury (Leisure incidents sporting activities)	22	47
Challenging Behaviour (client and pupil related incidents)	21	17
Fall out of Chair/Desk (client and pupil related incidents)	21	33
Injured Handling/Lifting etc.	20	26
Pool Side Injury (Leisure incidents sporting activities)	16	18
Fall from a height under 2m	16	30
Physical Education Injury (schools)	15	15
Violent Incident (abuse, harassment learning difficulty) (client and pupil related incidents)	15	5
Near Miss Accident	13	13
Management Failure	13	27
Exposure to harmful substance	10	8
Fall from play equipment (schools)	7	6
Burn	7	9
Contact with moving machinery	6	7
Glass/sharps	6	14
Self Harm	4	6
Undesired Circumstance	3	2
Hit by moving vehicle	3	7
Fall from a height over 2m	2	1
Contact with electricity	1	2

A Exposed to fire	1	1
Injured by an animal	1	7

Note there were an additional two types of incidents in 2016/17 and one incident for each type:

Fall from vehicle

Physically Assault (sexualised behaviour)

Analysis of Incident Data

The incident data provided above had been analysed to identify possible issues which may require attention. Previous work with Community identified falls within the care section as an issue, Loss of Balance incidents was the highest recorded type of incident. This may have resulted in an increase in reporting / recording of these incidents. Where these incidents occur specific client risk assessment are carried out.

Playground incidents and Slip trip and falls were identified as the next highest number of incidents. These mainly related to incidents in school where pupils had minor incidents but were required to be recorded.

There were four categories for type of violence and aggression incidents which may be considered the highest number of incidents which affect employees. Work is ongoing for systems to assist with reducing these figures.

Where similar incidents occur within a short period of time work is done to prevent or reduce the risk at a local level.

There were 20 incidents which were reported to the HSE as a requirement of RIDDOR. Reports were provided on each incident. No follow up action was taken by the HSE which would indicate no issues were found with the working arrangements.

Training

A summary follows of the skills based training sessions during the period of the report for staff of the County Council. The training is scheduled following identified needs received from Services. All training providers are accredited and qualified to deliver their specific courses and some instances of tailoring to meet the organisation's needs. Feedback from staff is consistent and indicates the standard of delivery across the range of services.

Course Type	Number of Sessions	Number of Candidates
Asbestos Awareness	2	28
Basic Food Hygiene	9	84
COSHH Awareness	1	24
DSE Assessors	2	25
Emergency First Aid (Full Day)	10	58
Fire Marshal	8	56
Fire Safety	2	17

First Aid at Work (3 day)	2	13
First Aid Refresher (2 day)	5	38
Infection Control Awareness	2	46
ISOH Refresher	1	9
Mental Health Awareness for Staff	5	41
Mental Wellbeing at Work for Managers	3	23
One day Medication	5	62
Paediatric First Aid	1	7
Manual Handling Passport A-B Module A - Introduction Module B - Inanimate load handling and practical application of ergonomics	7	89
Manual Handling Passport A-F See above A&B Module C - Sitting, standing and walking Module D - Bed Mobility Module E - Lateral Transfers Module F - Hoisting	5	43
Passport Refresher	4	29
Violence Level 1 & 2	5	70
Violence Level 3	12	114
Working at Height	1	16

Joint working with Gwynedd's Health and Safety team took place in relation to delivering IOSH Managing Safely and IOSH Leading Safely, who were supported by Anglesey's schools in providing venues.

4 Partnerships

The North Wales Health and Safety Teams

The Health and Safety North Wales Managers met once during the reporting period. Two officers from the County attended reporting on IOACC's RIDDOR reportable incidences. Other agenda items included Hand Arm Vibration, Corporate Health and Safety Policy and a discussion regarding the school's inspectorate in relation to health and safety issues. No further meetings were convened during the year. Although regular meetings do not take place there is communication between the teams on various issues. The communication usually consists of raising awareness of possible issue and requests for advice on best practise.

Joint working with Conwy and Gwynedd County Council Health and Safety Teams, education and leisure services also took place with regards as to developing Safe Practice in School Swimming Policy, Guidance and Procedures.

WLGA

Information is provided from the WLGA on Health and Safety matters to all Welsh Authorities.

Contractors

There are a number of long-term contracts for services provided to the Council. Regular management meetings are held with the contractors which review contract performance including Health and Safety.

HSE

Health issues had been a priority for HSE work. As such a proactive approach from the HSE was to requested information on methods of controlling HAVS from all Local Authorities. The information regarding methods of control for direct employees and contractors was provided to the HSE at the time of request.

5 Joint Consultation

Health and Safety Group

Historically a Health and Safety Liaison Group held meetings, jointly chaired by the Corporate Health and Safety Team and the Corporate Director for Sustainable Development for the majority of meetings. The group comprises of Health and Safety Co-ordinators from services across the whole of the council. Union representation has been present at most meetings.

The revision of the Health and Safety Policy places more responsibility on the role of the Health and Safety Coordinators, this should allow for purposeful meetings of the group.

The Policy expects Union representation at the meeting, which should allow Health and Safety consultation with the Unions.

Human Resources hold regular consultation meetings with the Unions to allow discuss of Policies and Procedures.

6 Occupational Health Provision

Occupational Health Provision is currently provided under contract with Gwynedd Council with attendance by trained Occupational Health personnel at the Council offices in Llangefni who undertake surgeries, health checks, etc. The contract is managed by the HR section and follows standard procurement practice. The provision expects instant referral of cases concerning Musculoskeletal issues or Stress related sickness absence.

Regular contract performance and issues are discussed in meetings between the Provider and HR.

7 Key Achievements

Health and Safety Policy

The development of a revised Health and Safety Policy, which includes the revised role of the Health and Safety Co-ordinator should assist with the development of Health and Safety management and monitoring. This is a significant change in the management of Health and

Safety within the council. The development of the Policy, Corporate Health and Safety Action Plan and Supporting guidance documents has been a key achievement over the past twelve months.

Procurement

Health and Safety being considered at procurement stage was identified in previous Health and Safety Action Plans. The procurement team's function has developed over time and have an active involvement with the standards of health and safety. The Procurement Team currently hold the budget for purchasing office furniture to assist with ensuring suitable equipment is obtained to address health and safety issues.

HSE

The HSE have currently identified Health and Occupational Diseases as a focused work topic for Inspectors. One RIDDOR during 2017/18 was due to Hand Arm Vibration Syndrome (HAVS). An internal investigation was carried out and a report prepared. The HSE requested the report as a follow up action to the RIDDOR incident report. To date no further requests has been made by the HSE for information relating to that case.

As there has been no follow up request, there were no HSE interventions with the work of the council during 2017/18. To have conducted the council work with no HSE intervention should be considered as a significant achievement.

Monthly Bulletins

Health and Safety bulletins were introduced during 2017/18. The purpose of the bulletins was to raise awareness of topics within health and safety, possible risks and actions to take to reduce the risk.

8 Safety Performance

The Corporate Health and Safety Team carried out inspections and interventions to assist with monitoring and improvement of Health and Safety standards within the Council. There is an expectation for organisations to report certain incidents to the HSE. There are time scales for reporting and reacting to these type of incidents. A performance indicator for the Corporate Health and Safety Team is to react to RIDDOR incidents within five days.

Inspections and interventions by the Corporate Health and Safety Team and performance with regard to reacting to RIDDORs is presented below.

	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
Number of planned health & safety interventions at Council premises	90	72	89	85	336
Percentage response to Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) accidents within Local Authority Premises within 5 days	6/6	4/4	4/4	6/6	20/20

9 Strategic Action Plan

A Corporate Health and Safety Action Plan has been developed for implementation. The plan involves six topic headings.

Health and Safety Policies, Organisation and Arrangements

Desired Outcomes: to clarify H&S Responsibilities at all levels of the organisation. This is to ensure the activities of everyone involved in managing health and safety are clear and coordinated well. To enable Staff knowledge of IOACC commitment to and effectively communicate H&S and improve H&S culture.

The revised Corporate Health and Safety Policy identifies Health and Safety responsibilities within the structure of the Council.

Health and Safety Competence

Desired Outcomes: to ensure the Council has competent staff to identify and manage risks and that competence is evidenced at all levels throughout the Council from SLT downwards through the provision of supported training and development.

The Corporate Training Matrix has been reviewed, revised and updated to ensure clear guidance on expected standards of competence in relation to health and safety training across the council.

Risk Profiling

Desired Outcomes: to ensure the right risks are identified and prioritised for action and that minor risks not given too much priority and risk control measures are 'informed'.

Guidance has been written to inform Services of the need to carry out a risk profiling assessment of the Services. A similar method was used to identify business risks for the Service in the past. The Guidance provides examples of possible risks and how they may be presented to the individual Services.

Accident, Incident and Near Miss Reporting

Desired Outcomes: to improved accident, incident and near miss and occupational disease reporting and the investigation and monitoring process. This should improved focus on employee's health and welfare.

This would involve reviewing the current system of accident incident reporting with a view to identify methods of improving the system. This would require review of the Council's Accident, Incident, Occupational Disease and Near Miss Occurrences Policy to reflect any revisions to the system.

Work Related Violence and Aggression (WRV) and Lone Working

Desired Outcomes: to implement effective arrangements to manage risks from violence and aggression and lone working to provide a safe and secure working environment. In order for employees do not accept incidents of aggression or violent behaviour as a normal part of the job.

This would be to review the current arrangements with a view to implementing possible improvements. Work has been done to trail Lone Working Systems from external providers and methods of recording potential risks from the public or public locations. Specific training is provided with regard to violence and aggression.

Work Related Stress

Desired Outcomes: to effectively manage the risks related to work-related stress. This would be to quantify and review the arrangements for managing stress within the Council. Work has been carried out by the Human Resources Team with the Occupational Health Services. This includes instant referral for any stress related sickness absence, a counselling service and a specific risk assessment format for stress. The Authority has committed to funding the provision of free counselling services through a recognised bilingual specialist provider.

10 Conclusion

Significant work has been carried out involving Senior Officers, Human Resources and Corporate Health and Safety to establish a method of revitalising Health and Safety within the council

The Chief Executive Officer carrying out the role to drive forward the work has given the topic of Health and Safety higher profile and gain more focused attention from the Services.

The revised Health and Safety Policy which clearly identifies Health and Safety being the responsibility of all Council Members and Staff should lead to an improved Health and Safety Culture in the Council.

The policy, the role of the Health and Safety Coordinators and the revised Health and Safety Group meetings should set the foundations for maintenance and improvement with regard to health and safety within the council.

11 Development Plan

	Action
1	Continue with the revised Health and Safety Group with the purpose of driving improvement of health and safety standards Allow the Group to be self-generating with regard to topic agenda for improvement
2	Services progress with actions from the Plan should be communicated to Corporate Health and Safety in the Health and Safety Group meeting.
3	Continue work to develop Lone Working Systems and Violence and Aggression Systems.
4	Monitor training attendance for courses arranged within the revised Corporate Health and Safety Training framework.

Anglesey Council Corporate Health and Safety Action Plan

Issue/ Deficiency Identified	Action Required	
<p>i) Health and Safety Policies, Organisation and Arrangements unclear and not fit for purpose following reorganisation</p> <p>Desired Outcomes: - H&S Responsibilities are clarified at all levels of the organisation. - Activities of everyone involved in managing health and safety are clear and well-coordinated - Staff know that IOACC is committed to H&S - There is effective communication of H&S issues - There is an improved H&S culture</p>	1	Review the health and safety policy (<i>Ensure that roles, responsibilities and accountability is clearly defined within the organisation</i>)
		Chief Executive, Senior Leadership Team and Executive to approve and implement Policy
		Ensure revised H&S Policy is communicated to all employees (<i>Through job descriptions, monitor, Y Ddolen, Policy Portal, team meetings, copy to be displayed in staff rooms etc.</i>)
		Ensure policy statement is displayed in every workplace
		Conduct audit against the policy
	2	Review Health and Safety Strategy (<i>Ensuring that H&S Policy is clearly reflected and that securing compliance with health and safety legislation is a core requirement</i>)
		Ensure revised H&S Strategy is communicated to all employees (<i>Monitor, Y Ddolen</i>)
	3	Disband Corporate Health and Safety Liaison Group (<i>Splitting into Corporate Health and Safety Committee, with strategic outlook on H&S and Service H&S and Emergency Planning Working Groups – Items that cannot be managed within the service should be escalated to the Corporate H&S Committee</i>)
		Formulate terms of Reference for both groups (<i>Groups should as a minimum monitor progress against strategy and action plans; discuss results of H&S and emergency planning monitoring and audits; study accidents and notifiable disease statistics and trends, so that reports may be made on unsafe and unhealthy conditions and practices and include recommendations for remedial action; review of reports/information provided by H&S Team and emergency planning representative; review effectiveness of health and safety and emergency planning training and communication on health and safety and emergency planning matters with employees/contractors</i>)
		Ensure correct membership of each group (<i>Representatives must be empowered by HoS to make changes within their own service areas</i>)

		Communicate the change, purpose of both groups and their importance to all employees
		Ensure groups meet on a quarterly basis
		H&S Committee members to ensure health and safety issues are integrated into their business planning processes and appropriately actioned
	4	Identify further Corporate Policies that require adaptation to reflect change in working practice and legislative requirements (this should be done through establishing a review plan)
		Revised corporate policies to be placed on Policy Portal following their endorsement. <i>(Ensure High risk activities are placed on 'click to accept' system)</i>
		HoS to identify areas where service level H&S policies are required <i>(Who does what, where and how in relation to method of work – Will allow adequate resource to be applied at a service level)</i>
ii) Health and Safety Competence Desired Outcomes: - Council has competent staff to identify and manage risks - Competence is evidenced at all levels throughout the Council from SLT downwards.	1	Ensure Chief Executive and Heads of Service are sufficiently trained to ensure their competence with respect to their health and safety responsibilities (Ensure attendance at IOSH Leading Safely course)
	2	Ensure Line Managers, Head Teachers, Supervisors and Health and Safety Co-ordinators are sufficiently trained to ensure their competence with respect to their health and safety responsibilities (Ensure attendance at IOSH Managing Safely Course) <i>(A competent person is not someone who simply has the competence to carry out a particular task safely. In general terms, the definition of a competent person is someone who has the necessary skills, experience and knowledge to manage health and safety, HSE)</i>
	3	Ensure each employee receives service level induction into risks associated with their role and place of work <i>(Must be documented)</i>
	4	Ensure safety critical roles are identified through risk assessment and are specified within Corporate Training Matrix, ensure appropriate training is provided to those employees and can be evidenced through training records <i>(The term 'safety critical work' is defined as: "Where the ill health of an individual may compromise their ability to undertake a task defined as safety critical, thereby posing a significant risk to the health and safety of others)</i>
	5	Ensure Health and Safety Competence is included within appraisal process <i>(H&S Team to provide HR with 'questions' for the appraisal process)</i>

iii) Risk Profiling Desired Outcomes: - The right risks are identified and prioritised for action - Minor risks not given too much priority and risk control measures are 'informed' - Staff are aware of the H&S risks in the workplace and how they are protected - Staff know that IOACC is committed to H&S	1	Extend established risk management process to include the nature and level of health, safety and welfare risk faced by the Council in terms of business planning <i>(To include likelihood of adverse effect occurring and level of disruption; also consider costs associated with each type of risk)</i>
	2	Rank service risks identified in order of importance and describe action taken to control them. (Include gap analysis)
	3	Review the effectiveness of the controls in place to manage those risks <i>(some will be immediate safety hazards; some will be longer term health related, less obvious and may take time for illnesses to become apparent)</i>
	4	Compile action plan detailing actions required to gain compliance/ improve areas where weakness has been identified in control measures corporately
iv) Accident, Incident and Near Miss Reporting Desired Outcomes: - Improved accident, incident and near miss and occupational disease reporting and investigation process - Improved monitoring process - Improved focus on employee's health and welfare	1	Modernise council's accident reporting and recording system (Chief Executive to ensure adequate resource is available to do this)
	2	Update Council's Accident, Incident, Occupational Disease and Near Miss Occurrences Policy to reflect modernised system
	3	Ensure revised Accident, Incident, Occupational Disease and Near Miss Occurrences Policy is communicated to all employees (Through Monitor, Y Ddolen, Policy Portal – click to accept)
	4	Communicate the roles, responsibilities and lines of communication of the Occupational Health Service to all employees
	5	Improve communication between Health and Safety Team and Occupational Health Service
v) Work Related Violence and Aggression (WRV) and Lone Working Desired Outcomes: - The Council has effective arrangements are in place to manage risks from violence and aggression and lone working	1	Ensure Suitable and sufficient risk assessments have been carried out considering, staff groups and activities, service users, pupils, visitors and the environment they operate in <i>(Risk assessments must identify appropriate control measures including: avoiding the risk, i.e. changing the way people work; physical controls, building design and layout, CCTV and alarm /communication systems; training; response strategies and security local arrangements and procedures, particularly for lone workers as a minimum)</i>
	2	Ensure that where an individual persons poses a risk of violent/challenging behaviour an individual assessment is completed and regularly reviewed as part of their care planning/ service delivery process <i>(The assessment must consider: the mental, emotional and physical condition of the person; the effect of medical conditions or ingestion of drugs, alcohol)</i>

<p>- Employees have a safe and secure working environment - Employees do not accept incidents of aggression or violent behaviour as a normal part of the job</p>		<p>or medicines; their stress levels; whether they have a history of challenging, violent or aggressive behaviour and whether they consider others a threat as a minimum)</p>
	3	<p>Source, resource and implement lone working monitoring system (Ensure that equipment used as a control measure, for example alarm systems and lone working devices are regularly tested and maintained)</p>
	4	<p>Source, resource and implement marker system for potentially violent persons, giving due regard to data protection law</p>
	5	<p>Review policies and procedures associated with WRV and Lone Working (Including lone working, dealing with violent persons, procedures to manage the risks from challenging behaviour, security procedures, supporting arrangements for staff and liaison arrangements with others, particularly the police)</p>
	6	<p>Ensure revised policies and procedures associated with WRV and Lone Working are communicated to all employees (Through monitor, Y Ddolen, Policy Portal – Click to Accept)</p>
<p>Work Related Stress Desired Outcomes: - The Council has effective arrangements in place to manage risks related to work-related stress</p>	1	<p>Review current work related stress policies and procedures (Ensure that Roles and responsibilities of managers, staff and support services such as occupational health service/ suitable counsellors, are clearly defined)</p>
	2	<p>Ensure that suitable and sufficient risk assessments have been completed using the HSE's Stress Management Standards approach. Identifying the underlying causes of work related stress ('the stressors')</p>
	3	<p>Work with staff to develop action plans to reduce the effect of 'the stressors' identified. (Action plans should: prioritise actions to reduce stress; address employee concerns; allow for evaluation and review – To include information from intended staff survey to be carried out during 2016/17)</p>
	4	<p>Ensure that Managers are competent to manage the risks from work related Stress by providing them with adequate information, instruction and training</p>

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