

# Public Document Pack



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

Mrs Annwen Morgan  
Prif Weithredwr – Chief Executive

CYNGOR SIR YNYS MÔN  
ISLE OF ANGLESEY COUNTY COUNCIL  
Swyddfeydd y Cyngor - Council Offices  
LLANGFNI  
Ynys Môn - Anglesey  
LL77 7TW

Ffôn / tel (01248) 752500  
Ffacs / fax (01248) 750839

<b>RHYBUDD O GYFARFOD</b>	<b>NOTICE OF MEETING</b>	
<b>PWYLLGOR GWAITH</b>	<b>THE EXECUTIVE</b>	
<b>DYDD LLUN 28 MEDI 2020 10.00 o'r gloch</b>	<b>MONDAY 28 SEPTEMBER 2020 10.00 am</b>	
<b>CYFARFOD RHITHIOL</b>	<b>VIRTUAL MEETING</b>	
Swyddog Pwyllgor	<b>Ann Holmes</b> 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.

At present this Committee is not being webcast live. A recording of the meeting will be made available on the Council's website as soon as possible.

## **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 HER APPOINTED OFFICER**

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

**3     MINUTES (Pages 1 - 6)**

To submit for confirmation, the draft minutes of the Extraordinary meeting of the Executive held on 17 August 2020.

**4     THE EXECUTIVE'S FORWARD WORK PROGRAMME (Pages 7 - 20)**

To submit a report by the Head of Democratic Services.

**5     REVENUE BUDGET MONITORING - QUARTER 1, 2020/21 (Pages 21 - 46)**

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

**6     CAPITAL BUDGET MONITORING - QUARTER 1, 2020/21 (Pages 47 - 58)**

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

**7     HRA BUDGET MONITORING - QUARTER 1, 2020/21 (Pages 59 - 66)**

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

**8     MEDIUM TERM FINANCIAL PLAN 2021/22 – 2023/24 (Pages 67 - 84)**

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

**9     ANNUAL TREASURY MANAGEMENT REVIEW 2019/20 (Pages 85 - 96)**

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

**10    SOCIAL SERVICES IMPROVEMENT PANEL UPDATE (Pages 97 - 104)**

To submit a report by the Interim Director of Social Services.

**11    ANNUAL DIRECTOR'S REPORT ON THE EFFECTIVENESS OF SOCIAL SERVICES 2019/20 (Pages 105 - 162)**

To submit a report by the Interim Director of Social Services.

**12    LAND AT MONA INDUSTRIAL ESTATE – APPLICATION BY THE ANGLESEY AGRICULTURAL SOCIETY TO AMEND LEASE CONDITIONS (Pages 163 - 170)**

**At present this Committee is not being webcast live. A recording of the meeting will be made available on the Council's website as soon as possible.**

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

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## THE EXECUTIVE

### Minutes of the extraordinary virtual meeting held on 17 August, 2020

- PRESENT:** Councillor Llinos Medi (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  
Deputy Chief Executive  
Director of Function (Resources) & Section 151 Officer  
Director of Function (Council Business)/Monitoring Officer  
Director of Education, Skills and Young People  
Interim Director of Social Services/ Head of Children's Services  
Head of Democratic Services  
Housing Services Strategy, Policy and Commissioning Manager (for items 5 & 6)  
Committee Officer (ATH)
- APOLOGIES:** None received
- ALSO PRESENT:** Councillors Kenneth Hughes, Aled Morris Jones, R. Llewelyn Jones, Bryan Owen, Dylan Rees, Alan Hughes (Audit Wales as an Observer) Mr Gareth Wyn Williams (Local Democracy Reporter)
- 

The Chair welcomed all those present to this meeting of the Executive.

#### 1. DECLARATION OF INTEREST

No declaration of interest was received.

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

None to report.

#### 3. MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting of the Executive held on 13 July, 2020 were presented for confirmation.

**It was resolved that the minutes of the previous meeting of the Executive held on 13 July, 2020 be confirmed as correct.**

#### **4. CORONAVIRUS OUTBREAK RECOVERY PLANNING AND DELIVERY UPDATE**

The report of the Deputy Chief Executive setting out the progress to date with regard to local recovery planning and delivery was presented for the Executive's consideration.

The Chief Executive introduced the report updating the Executive on local and regional recovery progress and reported that following the Executive's endorsement at its 13 July meeting of the internal structures and responsibilities to oversee the County Council's and the Island's further development and recovery from the Coronavirus emergency, the priority and focus has remained on enabling further easing of lockdown restrictions, maintaining the safety of officers and residents and achieving positive outcomes whilst collaborating meaningfully with relevant partners and stakeholders.

The Deputy Chief Executive guided the Executive through the main points of the report as follows –

- Advised that it continues to be a challenging and uncertain period for residents, communities and businesses with changes that have an impact on the Island's recovery economically and community wise taking place weekly. The Council has a role in leading on actions towards recovery and the report provides an overview of progress to date and the steps to be taken as the recovery proceeds.
- Outlined the national changes made by Welsh Government during July and August to ease lockdown restrictions together with the local decisions taken by the Council to ensure compliance and enable the organisation, officers, residents, and local business to move into the "next normal" safely and effectively emphasising that a great deal of work is undertaken by Officers in the background before each decision is implemented.
- Referred to recovery progress on a regional basis and the part played by the Council in collaborative efforts highlighting that whilst the Council's priorities and focus remain on enabling and facilitating local recovery it seeks to do so in partnership and to learn from what other authorities and organisations are doing in terms of approach and practice. The regional role is evolving into one of co-ordinating and planning for the medium to long term with immediate, day to day actions and decisions happening at a local level.
- Detailed the various elements of the local recovery process confirming that work has begun on preparing 4 local recovery plans based on the Economy; Tourism and Destination services incorporating community and environmental aspects; Social and Community services and Organisational Design and Culture (Working Differently).
- Emphasised the importance of capital schemes to economic recovery. The authorities in North Wales have endeavoured to highlight the critical role of local authorities in driving capital projects forwards with a schedule of potential schemes having been prepared in readiness for the release of additional capital funding. However to take full advantage, schemes need to be fully developed and "shovel ready" hence the report's recommendation that funding be released to develop priority capital schemes.
- Referred to the Council's continuing collaboration with and delivery of the local Track, Trace and Protect Strategy which is critical in managing local outbreaks alongside the valued work of the small team of environmental health professionals who have undertaken a combination of proactive and reactive (enforcement) measures to maintain public health, confidence and compliance both during the Llangefni factory outbreak and in order to reduce the risk of further future outbreaks.
- Highlighted the importance of the Council working differently as an organisation as a result of the experiences gained in responding to the pandemic, and embedding positive changes into its processes, behaviours and values based on the key emerging themes around Information Technology opportunities; realising environmental, climate and decarbonisation benefits; thematic working; improved efficiency through reduced travel times and manual office processes; better balance between office and home working;

developing change and adapt capabilities, and maintaining and improving equality, service accessibility and customer care.

- Explained that as a smaller sized authority, Anglesey needs to prioritise its resources and capacity wisely in meeting the challenge of balancing immediate actions against long-term planning noting also that it will not be possible for the Authority to take the lead on all areas of local recovery work without additional resources. Not only will each recovery plan set out what the Council itself is able to deliver currently along with the timescales and planned outcomes, but each will also specify what is required from the perspective of the Welsh and UK Governments in terms of support, decisions and resources to enable the Island to recover swiftly, fully and effectively.
- Proposed adapting the current operating model of the Council's front of house operation Cyswllt Môn as part of the change in approach to protect the workforce, residents and service provision. The aim will be to maintain equality of access, customer care standards, inclusivity and reduce travel. It will take the form of piloting multi-channel contact arrangements, utilising facilities in the community including libraries for virtual contact with the Cyswllt Môn Team, promoting digital channels and ensuring access to all.
- Proposed that the 2020/21 Travel and Subsistence Budgets be reduced by 25% to reflect the underspend on these budgets as a result of the cessation of all non-essential visits/travel in the wake of the pandemic and the conducting of a level of services by telephone, video and virtual means, with the funds generated to be reallocated to other recovery activity.

The Executive responded to the information presented as follows –

- All the Executive's Members thanked the Council's Officers for their hard work throughout this difficult time and acknowledged their commitment and professionalism both in the way they had responded to the immediate crisis and in planning for recovery.
- Councillor Carwyn Jones, Portfolio Member for Economic Development in elaborating on the support both financial and otherwise that had been provided to local businesses to help them through this challenging period highlighted the changes which Covid-19 had wrought to the business environment in terms of reduced spending in shops due to lockdown restrictions and emphasis on home working, with a significant shift to online spending, making it clear also that businesses would continue to require support to adapt and to deal with the ongoing uncertainties around a possible resurgence of the virus as well as economic recession and Brexit.
- In welcoming the plans for town centre recovery, a point was made about not forgetting the Island's larger villages equally deserving of support as important contributors to the local business and tourism economy.
- The Vice-Chair referred to the principal responsibilities of the Council as a provider of public services and felt that the Authority should focus on restoring its services in totality to the high standard of delivery prior to the onset of the pandemic whilst capitalising on the experiences gained in dealing with the crisis to improve business processes.
- Acknowledgement by all Executive's members that the crisis has changed the way the Council conducts many aspects of its business and that a number of those changes are for the better in terms of becoming a more efficient organisation, and should be consolidated and built upon in planning for a new normal and beyond especially with regard to meeting remotely, reducing travel time and doing more online being mindful also of the need to ensure access to services for all citizens.
- Councillor Richard Dew, Portfolio Member for Planning and Public Protection welcomed and was encouraged by plans to improve contract management, monitoring and reporting in particular with regard to ensuring the realisation of greater local benefits through contracts.

- Recognition by the Executive of the important role played by the Council's Communications Team throughout the crisis and its use of social media platforms to get clear messages across.
- Agreement on the need to focus post-pandemic on outcomes and on lessons learnt in terms of what can be done differently in order to make a difference.

**It was resolved –**

- **That £200,000 be released from the Revenue Contributions Unapplied to Capital Expenditure earmarked reserve (current balance £842, 917) to fund the cost of developing priority capital schemes and to work towards the securing of additional capital grant funding to implement those schemes.**
- **That 25% of the 2020/21 travel and subsistence budget is de-committed (£115,420) and re-allocated towards immediate recovery activity:-**
  - **Virtual Cyswllt Môn pilot in the Island's libraries.**
  - **Enabling further business process transformation in as quick a timeframe as possible.**
  - **A new digital system and training package is introduced to improve and enhance contract management monitoring, reporting and benefits realisation.**

## **5. THE ALLOCATIONS POLICY FOR SOCIAL HOUSING AND COVID-19**

The report of the Head of Housing Services seeking the Executive's approval for a temporary partial change to the Common Allocations Policy for housing in response to the impact of Covid-19 on emergency/temporary accommodation for homeless households following the Welsh Government's recommendation with regard to homelessness was presented.

The Portfolio Member for Housing and Community Support introduced the report noting that Welsh Government has confirmed that any households provided with emergency accommodation during the pandemic lockdown will be owed a full duty for permanent re-housing. To achieve this, Housing Services will need a flexible approach to being able to move households from emergency or temporary accommodation into settled accommodation hence the proposed temporary change to the Common Allocations Policy for a period of up to 6 months. By approving the recommendation, the direct lets approach will be made for up to 50% of the notices received during this period.

In supporting the proposal, the Chair asked for an update in a year's time on the effects of the temporary, partial policy change.

**It was resolved to approve the following –**

- **A temporary partial change to the Common Allocations Policy for housing in response to the Covid-19 impact on emergency/temporary accommodation for homeless households for a period of up to 6 months following the Welsh Government recommendation with regard to homelessness.**
- **That allocations made during this period for Homeless Households is approved by the Housing Options Team Manager.**
- **That the Executive be provided with an update in a year's time on the effects of the temporary partial change to the Common Allocations Policy.**



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

It was resolved –

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

## **7. RHOSYBOL NEW COUNCIL HOUSING SCHEME - ADDITIONAL HOUSING DEVELOPMENT**

The report of the Head of Housing Services seeking the Executive’s approval to develop 5 additional housing units on the Marquis site, Rhosybol was presented.

The Portfolio Member for Housing and Community Support introduced the report highlighting that on 15 July, 2019 the Executive approved the construction of 10 units on the site which has extant planning permission for 15 units. It was originally resolved to proceed with 10 units in line with the level of identified housing need in the village. Current figures show that the housing need has increased and that some properties can be offered through a shared ownership scheme. The Portfolio Member said that it is now recommended that the remaining 5 units are constructed on site and he proposed the recommendation to the Executive.

**It was resolved to proceed to build five additional units on the Marquis site, Rhosybol.**

**Councillor Llinos Medi  
Chair**

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<b>Isle of Anglesey County Council</b>	
<b>Report to:</b>	<b>The Executive</b>
<b>Date:</b>	<b>28 September 2020</b>
<b>Subject:</b>	<b>The Executive’s Forward Work Programme</b>
<b>Portfolio Holder(s):</b>	<b>Cllr Llinos Medi</b>
<b>Head of Service / Director:</b>	<b>Lynn Ball Director of Function – Council Business / Monitoring Officer</b>
<b>Report Author:</b> Tel: E-mail:	<b>Huw Jones, Head of Democratic Services 01248 752108 <a href="mailto:JHuwJones@anglesey.gov.uk">JHuwJones@anglesey.gov.uk</a></b>
<b>Local Members:</b>	<b>Not applicable</b>

<b>A –Recommendation/s and reason/s</b>
<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 <b>October 2020 – May 2021</b>;</p> <p>identify any matters for specific input and consultation with the Council’s Scrutiny Committees during the Covid-19 emergency whilst taking into account the strategy for committee meetings up to 30 April 2021 endorsed by group leaders on 12 May 2020, which notes the expectations with regard to convening scrutiny committee meetings.</p> <p>note that the forward work programme is updated monthly and submitted as a standing monthly item to the Executive.</p>

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

**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.

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

Yes

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

Not applicable.

**DD – Impact on our Future Generations(if relevant)**

<b>1</b>	<b>How does this decision impact on our long term needs as an Island</b>	Not relevant.
<b>2</b>	<b>Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-</b>	
<b>3</b>	<b>Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:</b>	
<b>4</b>	<b>Have Anglesey citizens played a part in drafting this way forward? Please explain how:-</b>	
<b>5</b>	<b>Outline what impact does this decision have on the Equalities agenda and the Welsh language</b>	

<b>E – Who did you consult?</b>		<b>What did they say?</b>
<b>1</b>	<b>Chief Executive / Senior Leadership Team (SLT)</b> (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.
<b>2</b>	<b>Finance / Section 151</b> (mandatory)	
<b>3</b>	<b>Legal / Monitoring Officer</b> (mandatory)	
<b>4</b>	<b>Human Resources (HR)</b>	
<b>5</b>	<b>Property</b>	
<b>6</b>	<b>Information Communication Technology (ICT)</b>	
<b>7</b>	<b>Procurement</b>	
<b>8</b>	<b>Scrutiny</b>	Under normal circumstances, monthly joint discussions take place on the work programmes of the Executive and the two Scrutiny Committees in order to ensure alignment.
<b>9</b>	<b>Local Members</b>	Not applicable.

<b>F - Appendices:</b>
The Executive's Forward Work Programme: October 2020 – May 2021.

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

# The Executive's Forward Work Programme

## Period: October 2020 – May 2021

Updated 16 September 2020



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 10 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 and updates are published monthly.

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 latest version of the Executive's Forward Work Programme – **which is a live document and subject to change** - is set out on the following pages.

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

*Key:*

*S = Strategic – key corporate plans or initiatives*

*O =Operational – service delivery*

*FI = For information*

# The Executive's Forward Work Programme

## Period: October 2020 – May 2021

Updated 16 September 2020

Subject & category and what decision is sought	Decision by which Portfolio Holder or, if a collective decision, why	Lead Service	Responsible Officer/ Lead Member & contact for representation	Pre-decision / Scrutiny (if applicable)	Date to Executive or, if delegated, date of publication	Date to Full Council (if applicable)
<b>October 2020</b>						
1	<b>The Executive's Forward Work Programme (S)</b>  Approval of monthly update.	The Executive	Council Business  Huw Jones Head of Democratic Services  Cllr Llinos Medi		The Executive  26 October 2020	
2	<b>Annual Performance Report (Improvement Plan) 2019/20)</b>  Approval of report and recommendation to full Council.	The Executive / Leader of the Council	Corporate Transformation  Carys Edwards Head of Profession – HR and Transformation  Cllr Dafydd Rhys Thomas	Corporate Scrutiny Committee October 2020	The Executive  26 October 2020	Full Council  27 October 2020
3	<b>Public Services Ombudsman for Wales – Annual Letter 2019/20</b>	The Executive / Leader of the Council	Council Business  Lynn Ball Director of Function - Council Business / Monitoring Officer  Cllr Dafydd Rhys Thomas		The Executive  26 October 2020	
4	<b>Joint Local Development Plan Annual Monitoring Report</b>	The Executive / Leader of the Council	Regulation and Economic Development  Christian Branch Interim Head of Regulation and Economic Development  Cllr Richard Dew		The Executive  26 October 2020	

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5	<b>Corporate Prevent Strategy</b>	Social Services	Fôn Roberts Interim Director of Social Services  Cllr Llinos Medi	Corporate Scrutiny Cttee 20 October 2020	The Executive  26 October 2020	
6	<b>Green Waste Collection Fees</b>	Highways, Waste and Property	Huw Percy Head of Highways, Waste and Property  Cllr R G Parry OBE		The Executive  26 October 2020	
7	<b>Introducing Galw Gofal – Care Connect charges for Council Housing Tenants</b>	Housing	Ned Michael Head of Housing Services  Cllr Alun W Mummery		The Executive  26 October 2020 (date to be confirmed)	
<b>November 2020</b>						
8	<b>The Executive's Forward Work Programme (S)</b>  Approval of monthly update.	Council Business	Huw Jones Head of Democratic Services  Cllr Llinos Medi		The Executive  30 November 2020	
9	<b>Corporate Scorecard – Quarter 2, 2020/21 (S)</b>  Quarterly performance monitoring report.	Corporate Transformation	Carys Edwards Head of Profession – HR and Transformation  Cllr Dafydd Rhys Thomas	Corporate Scrutiny Committee	The Executive  30 November 2020	

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Period: October 2020 – May 2021

Updated 16 September 2020

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10	<b>Annual Delivery Document 2020/21 (Improvement Plan)</b>  Approval of report and recommendation to full Council.	The Executive / Leader of the Council	Corporate Transformation	Carys Edwards Head of Profession – HR and Transformation  Cllr Dafydd Rhys Thomas	Corporate Scrutiny Committee (date to be confirmed)	The Executive  30 November 2020 (date to be confirmed)	Full Council  8 December 2020 (date to be confirmed)
11	<b>2020/21 Revenue Budget Monitoring Report – Quarter 2 (S)</b>  Quarterly financial monitoring report.	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams	Finance Scrutiny Panel 21 Oct 2020;  Corporate Scrutiny Committee 17 November 2020	The Executive  30 November 2020	
12	<b>2020/21 Capital Budget Monitoring Report – Quarter 2 (S)</b>  Quarterly financial monitoring report.	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams	Finance Scrutiny Panel 21 Oct 2020;  Corporate Scrutiny Committee 17 November 2020	The Executive  30 November 2020	

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## The Executive's Forward Work Programme

Period: October 2020 – May 2021

Updated 16 September 2020

	Subject & category and what decision is sought	Decision by which Portfolio Holder or, if a collective decision, why	Lead Service	Responsible Officer/ Lead Member & contact for representation	Pre-decision / Scrutiny (if applicable)	Date to Executive or, if delegated, date of publication	Date to Full Council (if applicable)
13	<b>2020/21 HRA Budget Monitoring Report – Quarter 2 (S)</b>  Quarterly financial monitoring report.	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams		The Executive  30 November 2020	
14	<b>Council Tax Base 2021/22</b>  To set the Tax Base for 2021/22	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams		The Executive  30 November 2020	
15	<b>Anglesey Further Education Trust Annual Report and Accounts 2019/20</b>	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams		The Executive  30 November 2020	
16	<b>Statement of Licensing Policy</b>	The Executive / Leader of the Council	Regulation and Economic Development	Christian Branch Interim Head of Regulation and Economic Development  Cllr Richard Dew		The Executive  30 November 2020	Full Council  8 December 2020

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## The Executive's Forward Work Programme

Period: October 2020 – May 2021

Updated 16 September 2020

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17	<b>Growth Agreement 2 – North Wales Economic Ambition Board</b>	The Executive / Leader of the Council	Chief Executive	Annwen Morgan Chief Executive  Cllr Llinos Medi	Partnership and Regeneration Scrutiny Committee  22 October 2020	The Executive  30 November 2020	Full Council  8 December 2020
<b>December 2020</b>							
18	<b>The Executive's Forward Work Programme (S)</b>  Approval of monthly update.	The Executive	Council Business	Huw Jones Head of Democratic Services  Cllr Llinos Medi		The Executive  14 December 2020	
19	<b>Treasury Management Mid-Year Review 2020/21</b>	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams		The Executive  14 December 2020	
20	<b>Llangefni Golf Course</b>	The Executive / Leader of the Council	Regulation and Economic Development	Christian Branch Interim Head of Regulation and Economic Development  Cllr Carwyn Jones		The Executive  14 December 2020	

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## The Executive's Forward Work Programme

Period: October 2020 – May 2021

Updated 16 September 2020

Subject & category and what decision is sought	Decision by which Portfolio Holder or, if a collective decision, why	Lead Service	Responsible Officer/ Lead Member & contact for representation	Pre-decision / Scrutiny (if applicable)	Date to Executive or, if delegated, date of publication	Date to Full Council (if applicable)
<b>January 2021</b>						
21	<b>2021/22 Budget (S)</b>  To finalise the Executive's initial draft budget proposals for consultation.	The Executive / Leader of the Council	Resources  Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams	Finance Scrutiny Panel / Corporate Scrutiny Committee (dates to be confirmed)	The Executive  January 2021 (date to be confirmed)	
22	<b>The Executive's Forward Work Programme (S)</b>  Approval of monthly update.	The Executive	Council Business  Huw Jones Head of Democratic Services  Cllr Llinos Medi		The Executive  25 January 2021	
<b>February 2021</b>						
23	<b>The Executive's Forward Work Programme (S)</b>  Approval of monthly update.	The Executive	Council Business  Huw Jones Head of Democratic Services  Cllr Llinos Medi		The Executive  15 February 2021	
<b>March 2021</b>						
24	<b>Revenue Budget Monitoring Report – Quarter 3, 2020/21 (S)</b>  Quarterly financial monitoring report.	The Executive / Leader of the Council	Resources  Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams	Finance Scrutiny Panel	The Executive  March 2021 (date to be confirmed)	

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## The Executive's Forward Work Programme

Period: October 2020 – May 2021

Updated 16 September 2020

	Subject & category and what decision is sought	Decision by which Portfolio Holder or, if a collective decision, why	Lead Service	Responsible Officer/ Lead Member & contact for representation	Pre-decision / Scrutiny (if applicable)	Date to Executive or, if delegated, date of publication	Date to Full Council (if applicable)
25	<p><b>Capital Budget Monitoring Report – Quarter 3, 2020/21 (S)</b></p> <p>Quarterly financial monitoring report.</p>	The Executive / Leader of the Council	Resources	<p>Marc Jones Director of Function – Resources / Section 151 Officer</p> <p>Clr Robin Wyn Williams</p>	Finance Scrutiny Panel	<p>The Executive</p> <p>March 2021 (date to be confirmed)</p>	
26	<p><b>Housing Revenue Account Budget Monitoring Report – Quarter 3, 2020/21 (S)</b></p> <p>Quarterly financial monitoring report.</p>	The Executive / Leader of the Council	Resources	<p>Marc Jones Director of Function – Resources / Section 151 Officer</p> <p>Clr Robin Wyn Williams</p>	Finance Scrutiny Panel	<p>The Executive</p> <p>March 2021 (date to be confirmed)</p>	
27	<p><b>Treasury Management Strategy 2021/22</b></p> <p>Adoption of strategy for the new financial year.</p>	The Executive / Leader of the Council	Resources	<p>Marc Jones Director of Function – Resources / Section 151 Officer</p> <p>Clr Robin Wyn Williams</p>		<p>The Executive</p> <p>March 2021 (date to be confirmed)</p>	<p>Full Council</p> <p>March 2021 (date to be confirmed)</p>
28	<p><b>Charges for non-residential services 2021/22</b></p> <p>Approval.</p>	The Executive / Leader of the Council	Adults' Services	<p>Iola Richards Interim Head of Adults' Services</p> <p>Clr Llinos Medi</p>		<p>The Executive</p> <p>March 2021 (date to be confirmed)</p>	

Key:

S = Strategic – key corporate plans or initiatives

O =Operational – service delivery

FI = For information

## The Executive's Forward Work Programme

Period: October 2020 – May 2021

Updated 16 September 2020

	Subject & category and what decision is sought	Decision by which Portfolio Holder or, if a collective decision, why	Lead Service	Responsible Officer/ Lead Member & contact for representation	Pre-decision / Scrutiny (if applicable)	Date to Executive or, if delegated, date of publication	Date to Full Council (if applicable)
29	<b>Standard Charge for Council Care Homes 2021/22</b>  Approval.	The Executive / Leader of the Council	Adults' Services	Iola Richards Interim Head of Adults' Services  Cllr Llinos Medi		The Executive  March 2021 (date to be confirmed)	
30	<b>Independent Sector Care Home Fees 2021/22</b>  Approval.	The Executive / Leader of the Council	Adults' Services	Iola Richards Interim Head of Adults' Services  Cllr Llinos Medi		The Executive  March 2021 (date to be confirmed)	
31	<b>Housing Rent HRA and Housing Service Charges 2021/22</b>	The Executive / Leader of the Council	Housing	Ned Michael Head of Housing Services  Cllr Alun W Mummery		The Executive  March 2021 (date to be confirmed)	
32	<b>Medium Term Financial Strategy and Budget 2021/22 (S)</b>  Adoption of final proposals for recommendation to the County Council.	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams	Finance Scrutiny Panel / Corporate Scrutiny Committee	The Executive  March 2021 (date to be confirmed)	Full Council  March 2021 (date to be confirmed)

Key:

*S = Strategic – key corporate plans or initiatives*

*O =Operational – service delivery*

*FI = For information*

## The Executive's Forward Work Programme

Period: October 2020 – May 2021

Updated 16 September 2020

Subject & category and what decision is sought	Decision by which Portfolio Holder or, if a collective decision, why	Lead Service	Responsible Officer/ Lead Member & contact for representation	Pre-decision / Scrutiny (if applicable)	Date to Executive or, if delegated, date of publication	Date to Full Council (if applicable)	
33	<b>Capital Strategy and Capital Programme</b>	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams		The Executive  March 2021 (date to be confirmed)	Full Council  March 2021 (date to be confirmed)
34	<b>Capital Budget 2021/22</b>	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams	Finance Scrutiny Panel / Corporate Scrutiny Committee	The Executive  March 2021 (date to be confirmed)	Full Council  March 2021 (date to be confirmed)
35	<b>The Executive's Forward Work Programme (S)</b>  Approval of monthly update.	The Executive	Council Business	Huw Jones Head of Democratic Services  Cllr Llinos Medi		The Executive  22 March 2021	
36	<b>Corporate Scorecard – Quarter 3, 2020/21 (S)</b>  Quarterly performance monitoring report.	The Executive / Leader of the Council	Corporate Transformation	Carys Edwards Head of Profession – HR and Transformation  Cllr Dafydd Rhys Thomas	Corporate Scrutiny Committee	The Executive  22 March 2021	

Key:

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## The Executive's Forward Work Programme

Period: October 2020 – May 2021

Updated 16 September 2020

Subject & category and what decision is sought	Decision by which Portfolio Holder or, if a collective decision, why	Lead Service	Responsible Officer/ Lead Member & contact for representation	Pre-decision / Scrutiny (if applicable)	Date to Executive or, if delegated, date of publication	Date to Full Council (if applicable)
<b>April 2021</b>						
37	<b>The Executive's Forward Work Programme (S)</b>  Approval of monthly update.	The Executive	Council Business	Huw Jones Head of Democratic Services  Cllr Llinos Medi		The Executive  26 April 2021
<b>May 2021</b>						
38	<b>The Executive's Forward Work Programme (S)</b>  Approval of monthly update.	The Executive	Council Business	Huw Jones Head of Democratic Services  Cllr Llinos Medi		The Executive  May 2021

**Key:**

*S = Strategic – key corporate plans or initiatives*

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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>REPORT TO:</b>	<b>EXECUTIVE COMMITTEE</b>
<b>DATE:</b>	<b>28 SEPTEMBER 2020</b>
<b>SUBJECT:</b>	<b>REVENUE BUDGET MONITORING, QUARTER 1 2020/21</b>
<b>PORTFOLIO HOLDER(S):</b>	<b>COUNCILLOR ROBIN WYN WILLIAMS</b>
<b>HEAD OF SERVICE:</b>	<b>MARC JONES</b>
<b>REPORT AUTHOR:</b>	<b>CLAIRE KLIMASZEWSKI</b>
TEL:	01248 751865
E-MAIL:	<a href="mailto:ClaireKlimaszewski@ynysmon.gov.uk">ClaireKlimaszewski@ynysmon.gov.uk</a>
<b>LOCAL MEMBERS:</b>	<b>n/a</b>
<b>A - Recommendation/s and reason/s</b>	
<ol style="list-style-type: none"> <li>1. On 10 March 2020, the Council set a net budget for 2020/21 with net service expenditure of £142.146m, to be funded from Council Tax income, NDR and general grants. This includes a total for general and other contingencies amounting to £1.115m. The budget for the Council Tax Premium was reduced by £0.051m to £1.393m.</li>   <li>2. The budget for 2020/21 included required savings of £0.307m. These have been incorporated into the individual service budgets and achievement or non-achievement of these is reflected in the net (under)/overspends shown. The savings target for 2020/21 was significantly less than prior years due to an increase of 3.8% in funding from Welsh Government. This was a welcome increase following several years of reduced funding which led to significant savings targets each year of over £2m. The Welsh Government have not been able to provide any indication on the proposed level of funding beyond 2020/21 due to the fact the the UK Government's Comprehensive Spending Review has been cancelled due to Brexit, the General Election in December 2019 and then dealing with the Coronavirus pandemic.</li>   <li>3. The Welsh Government have provided £232m to date to meet the additional costs incurred by Councils in dealing with the pandemic, which has covered the cost of purchasing PPE, supporting the Adult Care Sector, providing additional services for the homeless, helping with the costs of transferring to home working, funding the cost of weekly payments to parents of children who would normally receive free school meals and covering the loss of income incurred by Councils as a result of the closure of services. On the 17 August, the Welsh Government announced a further fund of £260m to help Councils during quarters 3 and 4. Funds have been allocated to the 22 Welsh Councils on a claims basis and the amounts claimed in quarter 1 have been incorporated into the forecasts in this report.</li>   <li>4. This report sets out the financial performance of the Council's services at the end of quarter 1, 30 June 2020. The projected position for the year as a whole is also summarised. It should be noted that predicting the final year-end position at the end of quarter 1 is difficult and the position can change considerably as we move through the remainder of the financial year. For 2020/21, predicting the final year end position is even more difficult because it is still unclear when some of the Council's service will return to normality and what the additional costs will be in providing those services in a way that minimises the risk of the spread of the virus e.g. additional PPE, increased cleaning, reduced service capacity impacting on income levels.</li> </ol>	

5. To date, 3 claims have been made in relation to the Covid 19 crisis to the Welsh Government, totalling £1.665m, for extra expenditure incurred during quarter 1. For quarter 1 reporting purposes, £725k has been applied to forecasted figures for the loss of income, due to only this amount being confirmed by Welsh Government. A claim for £95k has been submitted which will be reflected in further quarterly monitoring reports once the claim has been confirmed. The Welsh Government has stated that further funding will be released to cover the loss of income during the remainder of the financial year but this has not been taken into account in the forecast. The receipt of this additional funding will improve the final position of some services compared to this forecast.
6. These figures do not take into consideration winter pressures. Historically, winter pressures can be seen within the Highways and Adult services and it can be hard to quantify the full extent of extra costs which could be incurred this early in the financial year. The full extent of the forecasts and costs will be noted in the quarter 3 and quarter 4 reports respectively.
7. The overall projected financial position for 2020/21, including Corporate Finance and the Council Tax fund, is nearly a balanced budget position with a small overspend of £0.027m. This is 0.02% of the Council's net budget for 2020/21.
8. It is recommended that:-
  - (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 2020/21. This position is dependant on the continued support from Welsg Government to fund the loss of income and the additional costs which the Council face during the remainder of the financial year as a result of the Coronavirus;
  - (ii) To note the summary of Contingency budgets for 2020/21 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 2020/21 in Appendix D;
  - (v) To note the monitoring of agency and consultancy costs for 2020/21 in Appendices DD, E and F.

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

n/a

**C - Why is this a decision for the Executive?**

This matter is delegated to the Executive.

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

Yes

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

Yes

**DD - Who did you consult?**

**What did they say?**

<b>DD - Who did you consult?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Strategic Leadership Team (SLT) (mandatory)</b>	The report has been considered by the SLT and the comments made have been incorporated into the report
2	<b>Finance / Section 151 (mandatory)</b>	n/a – this is the Section 151 Officer's report
3	<b>Legal / Monitoring Officer (mandatory)</b>	The Monitoring Officer has commented on the report as a member of the SLT
4	<b>Human Resources (HR)</b>	
5	<b>Property</b>	
6	<b>Information Communication Technology (ICT)</b>	

7	<b>Scrutiny</b>	
8	<b>Local Members</b>	
9	<b>Any external bodies / other/s</b>	
<b>E - Risks and any mitigation (if relevant)</b>		
1	<b>Economic</b>	
2	<b>Anti-poverty</b>	
3	<b>Crime and Disorder</b>	
4	<b>Environmental</b>	
5	<b>Equalities</b>	
6	<b>Outcome Agreements</b>	
7	<b>Other</b>	
<b>F - Appendices:</b>		
<ul style="list-style-type: none"> <li>• Appendix A - Revenue Budget Monitoring Report – Quarter 1, 2020/21</li> <li>• Appendix B – Table of Provisional Outturn 2020/21</li> <li>• Appendix C – Summary of Contingency Budgets 2020/21</li> <li>• Appendix CH – Review of the Invest-to-Save projects 2020/21</li> <li>• Appendix D - Review of Efficiency Savings 2020/21</li> <li>• Appendix DD - Information regarding monitoring of Agency Staff 2020/21</li> <li>• Appendix E - Information regarding monitoring of Consultants</li> <li>• Appendix F – Detailed information regarding the expenditure on Consultants</li> </ul>		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
<ul style="list-style-type: none"> <li>• 2020/21 Revenue Budget (as recommended by this Committee on 2 March 2020 and adopted by the County Council on 10 March 2020).</li> </ul>		

## REVENUE BUDGET MONITORING – QUARTER 1 2020/21

## 1. General Balance

The Council Fund held £8.760m of earmarked reserves and school reserves amounting to £0.197m at the start of the financial year. The draft outturn for 2019/20 resulted in a general balance at the start of the current financial year of £7.060m. This was an improvement on the opening balance for the previous year, 2018/19, where the general balance had reduced to £5.912m. The draft underspend of £308k contributed to this and movements in reserves, such as the return of earmarked reserves no longer needed. This may, however, be subject to change with any post-audit adjustments.

Executive Meeting	Amount £m	Purpose
Draft opening balance	-7.060	Draft audited general reserve at 31 March 2020
<b>Revised Council Fund General Balance</b>	<b>-7.060</b>	<b>As mentioned above, this may change following any post-audit adjustments.</b>

The current predicated outturn for 2020/21 is an estimated underspend of £0.027m. If this trend continues, the Council general reserve is likely to decrease to £7.033m by the year-end. This is close to the minimum balance recommended for the general reserve which has been set at £7.1m for 2020/21, as approved by the full Council on 10 March 2020.

## 2. Financial Performance by Service

**2.1** The details of the financial performance by service for the period and the projected outturn position for each is set out in Appendix B. An underspend of £0.959m on services is predicted as at 31 March 2020. An overspend of £0.241m is estimated on Corporate Finance. In addition, an overspend of £0.745m is predicted on the Collection of Council Tax, of which £1.2m is due to a shortfall on the collection of general Council Tax. However, a surplus of £0.445m on the Council Tax Premium offsets a significant part of the Council Tax shortfall. The current total revenue forecast for 2020/21 is an underspend of £0.027m, which is 0.02% of the Council's total net revenue budget.

**2.2** The table below summarises the significant variances (circa £100k or higher). Please note that these figures relate to the position in respect of the controllable budgets within each service:-

**Summary of projected variances at 31 March 2021  
Based upon financial information as at 30 June 2020**

	<b>(Under) / Overspend £000</b>
Learning	(1,139)
Adults	195
Children's Service	(1,382)
Highways, Waste and Property	138
Regulation and Economic	1,023
Benefits Granted	207
Council Tax, including Council Tax Premium	745
Unbudgeted uncontrollable costs - insurance, capital pension costs and bad debt	200
Other (total of variances less than £100k)	40
<b>Total Variance over/(under)spend</b>	<b>27</b>

### 3. Explanation of Significant Variances

#### 3.1 Lifelong Learning

##### 3.1.1 Delegated Schools Budget

Once the Council sets the budget for schools, responsibility for the budget is delegated to the schools and annual under or overspends are held in individual school reserves. As the majority of schools were closed for all but one week of the summer term, schools will have incurred less costs than normal e.g. supplies and services, supply teachers and exam fees. Any underspending that will result will feed through to an increase in school balances. The Council is not intending to claw back any of the underspend. The overall position for the delegated schools budget will not be known until the end of the financial year.

##### Central Education

**3.1.2** This service was underspent by £449k (23.09%) at the end of quarter 1. The forecast for the year-end is an underspend of £1,238k (26.07%). Many of these budgets are demand-led, therefore, with the closure of schools due to the Coronavirus Pandemic, there is no or reduced demand as highlighted below in 3.1.3. These demand-led services may change once schools are fully operational, which will increase costs.

**3.1.3** There are a number of over and underspends across the Service. The most significant of which are listed below.

- School meals are forecast to underspend by £504k due to no demand for school meals due to the closure of schools for the first four months of the financial year. The Council subsidises school meals, therefore, reduced demand leads to reduced expenditure against the school meals budget.
- The out-of-county placements budget had reduced demand in 2019/20 due to eleven children leaving out-of-county placements due to turning 16+ or returning to placements on Anglesey. Only four new placements took place. An underspend of £783k is forecast for out-of-county placements. As the lockdown eases, the number of children requiring out-of-county placements may begin to rise, which will impact the forecasted underspend.

- There are some budgets within the service which are under pressure but are covered by the estimated underspend. The joint Môn and Gwynedd Additional Learning Needs service is estimated to overspend by £194k. There are budget pressures circa £50k each in secondary additional learning needs, Clwb Gofal and further education.

### 3.1.2 Culture

- 3.1.2.1** This service was £2k (0.50%) underspent during the period and the forecast outturn for the year is an overspend of £99k (7.71%). This is due to lost income from the closure of the Oriel estimated at £136k. This presumes that Welsh Government stops compensating local authorities for lost income after quarter 1, when the Oriel is able to open. Any additional funding will reduce this overspend. Libraries is helping to reduce the service's overspend and is expected to underspend by £50k due to vacant posts and a saving on relief staff while the libraries were closed due to Covid-19. There are small overspends expected in culture grants and archives.

## 3.2 Adults Social Care

- 3.2.1** This service was £716k (11.07%) overspent for the period and the forecast outturn for the year as a whole is a predicted overspend of £195k (0.72%). This excludes potential winter pressures grant as the Council has not received a grant offer for these pressures to date. If Welsh Government provides an offer of grant funding, this will be reflected in a future budget monitoring report. The underlying overspend for the service is £446k for the year. However, when the £251k contingency for Adults social care additional demand is applied, this reduces the overspend to £195k. This shows there is still high demand for adults social services. An additional £1.028m budget was provided to the service as part of 2020/21 budget-setting due to Adults Services budgets being under pressure in 2019/20. A contingency for £251k was also included in budget-setting for Adult Services Demand, which has been taken into account in the forecast as mentioned.

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

- Services for the Elderly: Forecast overspend of £102k – there is an underlying overspend of £353k, however, this is reduced to £102k due to applying the Adults Demand contingency of £251k. There are various over and underspends within the Service, however, the largest underlying forecast overspends are within residential care (£280k) and nursing care for older people (250k).
- Physical Disabilities (PD): Forecast underspend of £84k – the largest underspends relate to home support (£35k) and equipment and adaptations (£37k). There were less aids and adaptation work being carried out due to the Covid-19 pandemic.
- Learning Disabilities (LD): Forecast overspend of £291k – residential care is forecast to overspend by £182k due to extra demand for high cost placements for individuals with complex care needs. Day care is also under pressure with an overspend of £66k expected for the year. Supported and other accommodation is forecast to overspend by £301k. Savings of £300k were expected in this area due to a tendering exercise, however, this was not implemented due to Covid-19. The tendering process has been placed on hold. A large underspend of £221k is forecast for home care as more individuals take-up direct payments and organise their own home care.
- Mental Health (MH): Forecast overspend of £53k – residential care is projected to overspend by £165k due to high demand for mental health residential placements. An underspend of £107k on community support is forecast due to vacant posts.

- Provider Unit and Management and Support: Forecast underspend of £167k. This is due to vacant posts and a regional transformation project which would have cost £68k not going ahead due to Covid-19.

**3.2.3** The quarter 1 figures indicate significant demand pressures within the quarter. In order to fully investigate the issues, the department will be considering each specific individual line which has led to the significant projected overspend. Within each, the following will be considered:-

- Nature of cyclical trend (year by year and month by month trend);
- Reasons behind the trend;
- Further steps that can be taken to manage demand.

Any feedback will be reported to the Executive and Finance Scrutiny Committee.

### **3.3 Children's Services**

**3.3.1** The service was underspent by £292k (9.84%) during the period and is projected to be underspent by £1,382k (12.62%) at year-end. Most of the sections within Children's services are underspending, with looked after children forecast to underspend by £1,336k. Children with disabilities are expected to overspend by £194k.

**3.3.2** Looked after Children are forecast to underspend due to an expected underspend of £1,500k on out-of-county placements. This is linked to the large underspend in Learning as both Learning and Children's Services fund out-of-county placements. A number of young people left out-of-county placements in 2019/20 due to their age or placements on the Island. There has been an increase in foster carer placements due to the Foster Carer benefits introduced last year. Foster care placements are projected to overspend by £113k and non-standard placements are forecast to overspend by £117k. The underspend in out-of-county placements more than covers these overspends. It is a concern that some of the underspend might relate to reduced opportunities to identify children and young people at risk of significant harm due to the lockdown. Children with disabilities services are overspending due to high cost specialist placements which will eventually be moved to the Council's Specialist Small Group Home when it is operational.

**3.3.3** Given the pandemic, Children and Families Services have seen a reduction in referrals coming into the service and a slight reduction in the amount of children coming into the care of the Local Authority. It is predicted that referrals will increase and, indeed we will need to potentially bring some children into care as they will have been subjected to significant harm. Therefore, we need to be mindful of the financial demands of these pressures for the forthcoming months.

### **3.4 Housing (Council Fund)**

**3.4.1** This service was underspent by in total £6k (1.33%) during the period but is forecast to achieve a balanced budget at year-end. Homelessness (B and B) costs continue as a budgetary pressure with an overspend of £12k to date. It is anticipated that underspending on other budgets elsewhere in the Service will match the overspend on the Homelessness budget.

### **3.5 Regulation and Economic Development**

#### **3.5.1 Economic and Community (includes Destination and Leisure)**

- 3.5.1.1** The service, overall, was underspent by £194k (32.67%) for the period with a projected outturn being £920k (4.88%) overspent.
- 3.5.1.2** The Economic Development element of the service is projected to overspend by £23k at year-end. This is due to an estimated shortfall in income targets due to the lockdown and Covid-19 pandemic.
- 3.5.1.3** The Destination section is forecast to be underspend by £20k. While there is reduced income due to the lockdown, savings on the vacant Destination Manager post and seasonal staff will compensate for this, hence the forecast underspend.
- 3.5.1.4** The Leisure section has been hit hard due to closure of all leisure centres due to lockdown. Welsh Government is compensating the service for loss of income up to the end of quarter 1. The service is forecast to overspend by £917k but this forecast assumes that no additional Welsh Government support will be received for any future loss of income as a result of the Leisure Centres remaining closed until mid August and then operating at reduced capacity thereafter. However, the announcement on 17 August 2020 of an additional £260m of funding across Wales may change this position and could result in the Council receiving additional funding. Any changes will be incorporated into the quarter 2 budget monitoring report.

#### **3.5.2 Planning and Public Protection**

- 3.5.2.1** This service was £16k overspent (3.88%) for the period. The forecast outturn for the year is an overspend of £103k (4.83%).
- 3.5.2.2** The Public Protection section was underspent by £24k for the period but the forecast outturn position is £33k overspend. Dog/pest control, Environmental Health and Registrars are each estimated to overspend by circa £20k. All impacted by a shortfall on income arising from the pandemic. Underspends in Trading Standards and Corporate Health and Safety are forecast due to vacant posts.
- 3.5.2.3** The Planning section was overspent by £40k for the period and is forecast to overspend by £70k at year-end. Planning control is projected to overspend by £50k due to a shortfall on income budgets due to the first half of the lockdown. Building control is forecast to overspend by £20k, again due to a shortfall on income targets. These income streams were not covered in the first tranche of support from Welsh Government as the income levels may recover during the remainder of the year as the lockdown eases and deferred planning and building control applications are received during the second half of the year.

### **3.6 Highways, Waste and Property**

#### **3.6.1 Highways**

- 3.6.1.1** This service was £145k (11.51%) overspent for the period. However, the forecast position at year-end is a £43k underspend (0.68%).



**3.6.1.2** There are several small compensating over and underspends. The most significant overspend is £70k on Fleet due to a shortfall on income from other services due to the Covid restrictions. This is compensated by a £70k underspend on departmental support due to a vacant post and savings in transport costs and supplies and services costs. This forecast excludes winter maintenance costs as it is too early in the year to predict the outturn on these costs. Any significant winter costs could worsen the outturn estimated this quarter, however, the Council does maintain an earmarked reserve of £54k which is available to help fund any significant costs which may arise during the winter period.

### **3.6.2 Waste**

**3.6.2.1** The Waste service was £32k (2.07%) overspent for the period the service is predicted to have an outturn position of £10k overspend (0.12%).

**3.6.2.2** The forecast for the year-end includes overspends and compensating underspends within different sections of the service. One of the most notable of the variances include a £40k underspend on recycling due to a vacant post, surplus income from recyclates and reduced expenditure on supplies and services. Waste Collection is putting pressure on the budget with an overspend of £50k forecast for the year. This is mainly due to residual costs prior to the award of the new waste collection contract. There were also legal and technical consultancy fees incurred for the tendering exercise. In addition, an overspend of £35k is estimated for public conveniences for the year.

### **3.6.3 Property**

**3.6.3.1** The service's position for the period is a £22k (3.63%) underspend but with a forecast for the year-end position being £171k (19.19%) overspent.

**3.6.3.2** The main reason for the projected overspend within the Property service is a forecast underachievement of £114k on capitalised professional fees arising from delays in the 21<sup>st</sup> Century Schools programme, part of which is due to the lockdown. A delay in capital projects within the 21<sup>st</sup> Century Schools programme has reduced the fee earning work within Property in this financial year. However, this work is expected to increase in future financial years when the 21<sup>st</sup> Century Schools Band B projects are progressed. In addition, a shortfall in Industrial Unit rents of £50k is expected due to the Council granting 'one month free rent' to all tenants of the Council's industrial units and sundry properties to support local business during the lockdown period. This loss of income is not covered by the Welsh Government as it was a local decision and the loss of income did not arise directly from the lockdown.

## **3.7 Transformation**

**3.7.1** The Transformation function overspent by £363k (22.66%) for the period. However, the projected year-end position is an underspend of £57k (1.14%).

**3.7.1.1** The ICT section was overspent by £464k (43.75%) for the period and is expected to be £115k (4.12%) overspent at year-end. Software budgets have historically been insufficient, particularly as the Council has improved its ICT functionality and ability to enable home working. In 2019/20, ICT overspent by £213k. Additional budget was provided to mitigate the budgetary pressure, however, an overspend remains likely. Expansion of citrix licences and VASCOs to enable widespread homeworking during the lockdown period and beyond has increased budgetary pressures further, though Welsh Government has supported the Council by providing 50% funding towards increased ICT cost.

**3.7.1.2** The HR function was underspent by £106k (28.18%) for the period, and is projected to be £76k (5.65%) underspent at year-end. Vacant posts are expected to cause an underspend of £27k. Central training is also forecast to be underspent by £45k. This is due to the Covid-19 outbreak preventing the usual training to take place.

**3.7.1.3** The Corporate Transformation was overspent by £5k (2.82%) for the period but is expected to be underspent at the year-end by £96k (11.25%). All budget areas are expected to underspend, with the most significant an underspend of £58k on the Ynys Môn and Gwynedd Partnership.

### **3.8 Resources (excluding Benefits Granted)**

**3.8.1** The Resources function budget is £48k (5.64%) underspent for the period, with the projection for outturn being an overspend of £19k (0.61%).

**3.8.2** Revenues and Benefits are expected to be £94k overspent for the year mainly due to reduced court cost income of £106k. The Accountancy section is looking at an overspend of £56k, mainly due to bank charges of £40k. Internal Audit is expected to have an underspend of £18k arising from staff vacancies. The Procurement section is expected to be £113k underspent due to initiatives in purchasing. i.e centralised purchasing budgets and procurement card rebates.

### **3.9 Council Business**

**3.9.1** The function was £47k (10.57%) underspent for the period, but the forecast for the year-end position is an overspend of £24k (1.44%) overspend.

**3.9.2** Legal Services are expected to be overspent by £41k, in large part due a shortfall in legal fees income and land charges income, potentially due to the pandemic lockdown period. An overspend of £12k is expected on Legal agency staff to cover staff vacancies/absences. Democratic Services are forecasted to underspend by £17k. There are underspends projected in each of its functions, with the largest underspend being within the Electoral services (£9k).

### **3.10 Corporate and Democratic Costs**

**3.10.1** The Corporate and Democratic budget was overspent by £23k (2.97%) for the period and the forecast year-end position is an overspend of £57k (2.05%).

**3.10.2** There are sections within the department that are forecasting to overspend at year-end, whilst there are mitigating underspends in other areas. The main areas of concern are within the Corporate other area, which is expected to overspend by £95k; within this staff counselling is forecast to overspend by £25k. An underspend of £31k is expected on the apprenticeship levy and an underspend of £16k is forecast on Members' support and expenses.

### **3.11 Corporate Management**

**3.11.1** The function was £11k (6.98%) underspent for the period with the forecast at year-end being an underspend of £37k (5.91%). This relates to the residual budget of £58k following the management restructure in 2019/20. Unbudgeted expenditure on transport and general supplies and services reduces this down to £37k.

## **4. Corporate Finance (including Benefits Granted)**

**4.1** Corporate Finance, including Benefits Granted, is expected to overspend by £241k (1.41%) at year-end. An overspend of £207k is forecast on benefits granted due to a rise in the number of Council Tax Reduction Scheme claims as a consequence of the increased Universal Credit claimants which have resulted from the economic fallout of the Covid-19 crisis. An overspend of £34k is forecast on interest receivable due to the reduction of the interest base rate to 0.01% due to the economic impact of Covid-19.

**4.2** The budget for 2020/21 included some items retained centrally as contingency budgets, these amount to £1,115k. The general contingency is £371.5k, which is for ad-hoc unexpected budgetary pressures arising through the year. A salary and grading contingency of £150k is included for unbudgeted salary and grading costs such as redundancy payments. Contingencies amounting to £593k were included in the budget which can only be used for the costs approved. £250k was included for Adult Services extra demand, this has already been used to fund increased demand for services to the Elderly. A risk contingency for £235k was also included in the budget to contribute towards any pay award for 2020/21 agreed which is over the 2% budgeted for during budget-setting. The pay award has now been agreed at 2.75%. This will cost the Council an additional £340k, therefore, the risk contingency will be used towards the pay award. The balance of £105k will be funded from the salary and grading contingency. There are also smaller contingencies for the Regional Growth bid, STEM and lone-working. It is assumed at this stage that all contingency budgets will be used by year-end.

## **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 2019. 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 significantly underachieve the target by £1,200k due to continued erosion of the tax base with significant numbers of self catering properties switching to business rates. Covid-19 is also impacting on the collection of Council Tax and an increase in the bad debt provision has been made to reflect this impact. The Council Tax Premium budget, which is additional Council Tax charge on second homes on Anglesey (since 1 April 2017), may potentially overachieve its budget by £455k. This improves the Council Tax deficit position. In total, therefore, a deficit of £745k is forecast on the collection of Council Tax.

## **6. Invest to Save**

**6.1** An invest to save programme was undertaken in 2016/17, with an allocation of £983k for individual projects. To date, £699k has been spent or committed from this allocation of funding up to and including 2020/21. All projects are at various stages of development, with some closer to completion than others. The full details 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 2021/22 and the funding will still be available within the invest to save reserve.

## **7. Budget Savings 2020/21**

**7.1** Budget savings of £307k were removed from service budgets for 2020/21. £224k of the savings are likely to be achieved, however, £63k is not expected to be delivered. The most significant shortfall will be within Highways, Waste and Property where £57k of savings will be difficult to achieve due to reduced car parking income arising from the Covid-19 lockdown. A full detailed analysis can be seen for each Service in Appendix D.

## **8. Agency and Consultancy Costs**

**8.1** During the year to date, £104k was spent on Agency staff. These were, in the main, part-funded from staffing budgets as they related to staff vacancies. The full details can be seen at Appendix DD.

**8.2** Expenditure on consultancy services in quarter 1 was £47k, this is considerably less than usual due to Covid-19 (£159k in quarter 1 2019/20). The full summary of expenditure per service and additional details of the expenditure can be seen at Appendix E.

## **9. Conclusion**

**9.1** The initial projection at the end of the first quarter is that the outturn will be close to a balanced budget, with an overspend by £27k for the year-ending 31 March 2021. The service budgets are expected to underspend by £959k due to reduced demand for Children's Services and the impact the closure of schools during the period April to July 2020 has on central education budgets. Corporate finance is forecast to overspend by £241k due to increased benefits granted and a shortfall in interest receivable due to the economic impact of Covid-19. An underachievement of £1,200k is expected on the standard Council Tax. Surplus income of £455k is forecast on the Council Tax Premium. The net deficit on Council Tax overall is £745k.

**Projected Revenue Outturn for the Financial Year ending 31 March 2021 – Quarter 1**

Service/Function	2020/21 Annual Budget	Q1 2020/21 Budget Year to Date	Q1 2020/21 Actual & Committed spend	Q1 2020/21 Variance	Q1 2020/21 Actual & Committed Spend	Estimated Expenditure to 31 March 2021 at Q1	Estimated Outturn 31 March 2021 over/(under) at Q1	2020/21 Projected Over/(Under)spend as a % of Total Budget	Draft Over/(underspend) Last Year 2019/20 (Subject to Audit)
	£'000	£'000	£'000	£'000	%	£'000	£'000	%	£'000
<b><u>Lifelong Learning</u></b>									
Delegated Schools Budget	47,579	11,402	11,402	0	0.00%	47,579	0	0.00%	0
Central Education	4,748	1,946	1,497	(449)	-23.09%	3,510	(1,238)	-26.07%	(272)
Culture	1,285	500	497	(2)	-0.50%	1,384	99	7.71%	29
<b><u>Adult Services</u></b>	26,911	6,468	7,184	716	11.07%	27,106	195	0.72%	1,085
<b><u>Children's Services</u></b>	10,951	2,964	2,672	(292)	-9.84%	9,569	(1,382)	-12.62%	156
<b><u>Housing</u></b>	1,168	448	442	(6)	-1.33%	1,168	0	0.00%	(77)
<b><u>Highways, Waste &amp; Property</u></b>									
Highways	6,287	1,256	1,401	145	11.51%	6,244	(43)	-0.68%	(192)
Property	891	(613)	(635)	(22)	3.63%	1,062	171	19.19%	44
Waste	8,030	1,563	1,595	32	2.07%	8,040	10	0.12%	(208)
<b><u>Regulation &amp; Economic Development</u></b>									
Economic Development	1,882	593	399	(194)	-32.67%	2,802	920	48.88%	0
Planning and Public Protection	2,131	413	429	16	3.88%	2,234	103	4.83%	(117)
<b><u>Transformation</u></b>									
Human Resources	1,346	375	269	(106)	-28.18%	1,270	(76)	-5.65%	(35)
ICT	2,794	1,062	1,526	464	43.75%	2,909	115	4.12%	(85)
Corporate Transformation	853	167	172	5	2.82%	757	(96)	-11.25%	(192)

Service/Function	2020/21 Annual Budget	Q1 2020/21 Budget Year to Date	Q1 2020/21 Actual & Committed spend	Q1 2020/21 Variance	Q1 2020/21 Actual & Committed Spend	Estimated Expenditure to 31 March 2021 at Q1	Estimated Outturn 31 March 2021 over/(under) at Q1	2020/21 Projected Over/(Under)spend as a % of Total Budget	Draft Over/(underspend) Last Year 2019/20 (Subject to Audit)
	£'000	£'000	£'000	£'000	%	£'000	£'000	%	£'000
<b>Resources</b>	3,109	843	795	(48)	-5.64%	3,128	19	0.61%	(170)
<b>Council Business</b>	1,669	448	401	(47)	-10.57%	1,693	24	1.44%	(2)
<b>Corporate &amp; Democratic costs</b>	2,785	781	804	23	2.97%	2,842	57	2.05%	(99)
<b>Corporate Management</b>	626	155	145	(11)	-6.98%	589	(37)	-5.91%	(70)
Unbudgeted, uncontrollable costs: insurances, pension costs and bad debt write offs/impairment allowances on services income						200	200	0.00%	241
<b>Total Service Budgets</b>	125,046	30,771	31,030	224	0.73%	124,087	(959)	-0.77%	36
Levies	3,599	3,599	900	(2,698)	-74.99%	3,599	0	0.00%	0
Discretionary Rate Relief	95	0	0	0	0.00%	95	0	0.00%	11
Capital Financing	6,939	1,049	1,054	5	0.00%	6,973	34	0.50%	(277)
General & Other Contingencies	1,065	1,065	2	(1,062)	-99.78%	1,065	0	0.00%	(447)
Support Services contribution HRA	(700)	0	0	0	0.00%	(700)	0	0.00%	(86)
Benefits Granted	6,103	(754)	(754)	0	0.00%	6,310	207	3.39%	248
<b>Total Corporate Finance</b>	17,100	4,958	1,202	(3,756)	-75.76%	17,342	241	1.41%	(551)
<b>Total 2020/21</b>	<b>142,146</b>	<b>35,729</b>	<b>32,232</b>	<b>(3,532)</b>	<b>-9.89%</b>	<b>141,429</b>	<b>(718)</b>	<b>-0.50%</b>	<b>(515)</b>

Service/Function	2020/21 Annual Budget	Q1 2020/21 Budget Year to Date	Q1 2020/21 Actual & Committed spend	Q1 2020/21 Variance	Q1 2020/21 Actual & Committed Spend	Estimated Expenditure to 31 March 2021 at Q1	Estimated Outturn 31 March 2021 over/(under) at Q1	2020/21 Projected Over/(Under)spend as a % of Total Budget	Draft Over/(underspend) Last Year 2019/20 (Subject to Audit)
	£'000	£'000	£'000	£'000	%	£'000	£'000	%	£'000
<b>Funding</b>									
NDR	(24,313)					(24,313)	0	0.00%	0
Council Tax	(39,749)					(38,549)	1,200	-3.02%	207
Council Tax Premium	(1,393)					(1,848)	(455)	32.67%	
Revenue Support Grant	(76,692)					(76,692)	0	0.00%	0
<b>Total Funding 2020/21</b>	<b>(142,146)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(141,401)</b>	<b>745</b>	<b>0.00%</b>	<b>207</b>
<b>Total outturn including impact of funding</b>	<b>0</b>	<b>35,729</b>	<b>32,232</b>	<b>(3,532)</b>	<b>-9.89%</b>	<b>27</b>	<b>27</b>	<b>0.02%</b>	<b>(308)</b>

**Summary of the Outturn Position on Contingency Budgets 2020/21**

	<b>Original Budget</b>	<b>Virements</b>	<b>Amended Budget YTD</b>	<b>Committed YTD</b>	<b>Currently Uncommitted Budgets</b>	<b>Budget Forecast</b>
	£	£	£	£	£	£
General Contingency	371,550	(49,600)	321,950	2,340	319,610	-
Salary and Grading	150,000	(540)	149,460	-	149,460	-
Earmarked Contingency	593,350	-	593,350	-	593,350	-
<b>Total General and other Contingencies</b>	<b>1,114,900</b>	<b>(50,140)</b>	<b>1,064,760.00</b>	<b>2,340.00</b>	<b>1,062,420.00</b>	<b>0.00</b>



**Review of Invest-to-Save Projects 2020/21**

Service	Title	Description	Sum Allocated (in total - not just Yr 1) £	Balance at 1 April 2020 £	Allocation for 2020/21 £	Spent 2020/21 £	Remaining budget 2020/21 £	Project Update
Resources	Electronic Document Management System for Revenues and Benefits	Provide scanning solution and workflow for Revenues and Benefits	170,000	0	0	0	0	Project closed. No further update.
I.T	Local Land and Property Gazetteer	Implement a LLPG system across the Council	10,800	0	0	0	0	Project closed. No further update.
I.T / Transformation	Customer Relationship Management System	Purchase and implementation of a CRM system	255,000	100,132	100,132	2,000	98,132	The CRM is now well established, with over 18,000 registered customers since January 2016, and is now operating as Business as Usual. IT are working with services under the direction of the Business Process Transformation Board to drive more payment forms online and available via the CRM in order to improve back end processes, enable efficiencies and improve customer experience. The system has proved invaluable during the current Covid-19 crisis and has been used to administer the collection of information for business support grants, free school meals, reopening Penhesgyn and Gwalchmai recycling centres, to name but a few of the forms that have been built. We are also investigating a booking system to allow the reopening of various Council buildings, such as Oriel Môn.
I.T. / Resources	Payment Gateway	Purchase and implement a payment gateway which will enable payments to be received via the App	27,000	13,583	13,583	0	13,583	Project closed. No further update.

Service	Title	Description	Sum Allocated (in total - not just Yr 1) £	Balance at 1 April 2020 £	Allocation for 2020/21 £	Spent 2020/21 £	Remaining budget 2020/21 £	Project Update
Regulation & Economic Development	Improve the Resilience of the Planning Systems	New automated planning systems	118,000	15,374	15,374	0	15,374	No further expenditure to date. The ERDMS upgrade is progressing with Enterprise Live already installed on all relevant staff laptops and available via Citrix to ensure that staff can continue to work remotely. Staff are actively being encouraged to familiarise themselves with the upgrade, training will also be arranged. The system will endure an extensive period of testing to ensure complete functionality prior to the going 'live' date, hopefully during November 2020, with both I@W and Enterprise being utilised until then.
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 (AppMon etc.) to link into the cash management system	150,000	42,799	42,799	24,503	18,297	Full commitments have now been made and within the bid budgets. However, implementation will be ongoing into the next financial year due to Covid-19 matters putting things on hold, as many project staff in Capita, our Income Management Software company, having been furloughed early on under the restrictions. The remaining balance will be used for any unexpected items which remain.
Lifelong Learning	Modernisation of business and performance processes	Implement unused modules in the ONE Management Information system	67,000	0	0	0	0	Project closed. No further update.
Lifelong Learning	Modernisation of business	Website for the Oriel	20,000	11,474	11,474	0	11,474	There have been some delays with the company and Covid-19. The final bits of online shop are nearing completion and website is delivered but being tested. The company will be paid end Aug/early Sep once IT are happy that website is working well etc.
I.T. / Transformation	Digital First / Digital By Default	Employ a Digital Lead Officer and Digital Services Analyst	120,000	99,130	50,000	16,486	33,514	Two people have been recruited to the Temporary Digital Technician posts at Grade 5 and are currently in post.

Service	Title	Description	Sum Allocated (in total - not just Yr 1) £	Balance at 1 April 2020 £	Allocation for 2020/21 £	Spent 2020/21 £	Remaining budget 2020/21 £	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.	45,000	45,000	10,000	0	10,000	No progress to report in 2020/21. Due to Covid-19 and pressures on Public Protection, there has been no capacity to proceed
<b>Total</b>			<b>982,800</b>	<b>327,492</b>	<b>243,362</b>	<b>42,989</b>	<b>200,373</b>	

Review of Efficiency Savings 2020/21

Service/Function	Budget Savings 2020/21 £'000	Achievable 2010/21 £'000	Possibly Unachievable 2020/21 £'000	Comments
Highways, Waste & Property	68	11	57	Currently, savings of £10k are unlikely to be achieved by reducing the cost of running the Council's vehicle fleet by investing in more fuel efficient vehicles and improving administration procedures to reduce down time. This is due to the significant reduction of fleet vehicle use due to Covid-19. Four LPG vehicles were delivered in July which will be more fuel efficient.
				A saving of £47k by increasing car park fees is also unlikely to be achieved. This is due to car parks being closed to the public as part of the Covid-19 restrictions. All car parks have since reopened with unrevised charges implemented in coastal car parks, but parking in urban areas will remain free until August, in accordance with Executive Committee directive. Work is in progress to implement the revised fees. A claim for loss of income has been submitted to Welsh Government and the Authority is waiting for formal confirmation of whether this claim will be paid.
Regulation and Economic Development	65	59	6	A saving of £22k has been implemented in full by reducing the Development Control Team's administrative capacity. This has been achieved by the recent investment in the planning system.
				The expected increase in income of £1k is unlikely to be achieved given the current pandemic and it's effect on group gatherings and events.
				£37k saving by deleting the remainder of the Outdoor Facilities budget following the transfer of the assets from the Council's control has been fully achieved.
				The fees and charges for maritime services have been increased, although, the saving of £5k is not likely to be achieved due to the Covid-19 related restrictions and the shortening of the open season.
Housing	101	101	0	A saving of £37k has been achieved by deleting the vacant post of Strategic Development Officer.
				Savings of £4k by reducing the cost of administrative support to the Head of Housing is being achieved.

Service/Function	Budget Savings 2020/21 £'000	Achievable 2010/21 £'000	Possibly Unachievable 2020/21 £'000	Comments
				<p>A saving of £36k by capitalising the staffing costs relating to the delivery of Disabled Facilities Grant will be achieved.</p> <p>Savings of £19k which were proposed by adjusting the charges to the Housing Revenue Account to reflect the increase in costs are likely to be achieved at year end review.</p> <p>A service budget review identified £15k of un-utilised budget which have now been deleted. There was no overspend at the end of quarter 1 so this saving is being achieved.</p>
Transformation	5	5	0	A saving of £5k was recognised by deleting budgets for loss usage telephone lines and mobile phones. No further line savings have been identified to date but, if found, the savings will be found from elsewhere in the department's budget as in 2019/20.
Resources	60	60	0	<p>A saving of £10k was proposed by reducing postage budgets as a result of investments in the Payroll and Housing Benefit systems which has allowed the transfer of information electronically rather than posting paper documents. Expenditure for quarter 1 is slightly above budget, but this is likely due to the timing of the expenditure.</p> <p>A corporate approach to the purchase of some goods is expected to release a saving of £50k. Expenditure at quarter 1 is within budget.</p>
Council Business	8	8	0	Reducing the cost of holding Civic events is expected to achieve a saving of £8k for the year. Expenditure at quarter 1 is within budget.
<b>Total</b>	<b>307</b>	<b>244</b>	<b>63</b>	

**Agency costs April to June 2020**

Service	Amount £	Source of Funding (Specific Core Budget / Unutilised staffing budget / Grant / External Contribution)	Permanent / Temporary	Reason for Cover
Schools	900	Core	Temporary	Teaching cover in specialised areas
	<b>900</b>			
Waste	7,040	Specific Core Budget	Temporary	Short term staff - not available through HR Matrix
	9,419	Specific Core Budget	Temporary	Additional tasks required short term. Staff not available via HR Matrix
	<b>16,459</b>			
Children Services	20,785	Core Budget/ Agency staff Reserve	Temporary	To cover vacant posts
	19,536	Core Budget/ Agency staff Reserve	Temporary	To cover vacant posts
	<b>40,322</b>			
Adult Services	36,490	Core Budget	Temporary	DOLS project
	10,192	Core Budget	Temporary	To cover vacant posts
	<b>46,682</b>			
<b>Total</b>	<b>104,363</b>			

APPENDIX E

**Summary Consultancy Expenditure Q1 2020/21**

Summary Consultancy Expenditure Q1 per Service		
Service	Qtr1 £	Total 2020/21 £
Central Education	8,685	<b>8,685</b>
Culture	0	<b>0</b>
Economic & Regeneration	1,125	<b>1,125</b>
Property	0	<b>0</b>
Highways	0	<b>0</b>
Schools	0	<b>0</b>
Waste	12,883	<b>12,883</b>
Housing	0	<b>0</b>
Corporate & Democratic	0	<b>0</b>
Adult Services	0	<b>0</b>
Children Services	2,466	<b>2,466</b>
Corporate	0	<b>0</b>
Transformation	630	<b>630</b>
Council Business	11,847	<b>11,847</b>
Resources	9,515	<b>9,515</b>
<b>Total</b>	<b>47,151</b>	<b>47,151</b>
Funded by:		
Unutilised Staffing Budget	46,016	<b>46,016</b>
Grant	630	<b>630</b>
External Contribution	505	<b>505</b>
Reserves	0	<b>0</b>
<b>Total</b>	<b>47,151</b>	<b>47,151</b>





**Breakdown of Consultancy Costs Quarter 1 2020/21**

	Amount £	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	6,825		✓	<input type="checkbox"/>	Core	Professional Fees - service as Senior Officer, Education Department
	1,680			✓	Core	Professional Fees - service as Senior Officer, Education Department
	180			✓	Core	Annual hosting fee for website
<b>Total Central Education</b>	<b>8,685</b>					
Regeneration & Economic Development	505	✓	<input type="checkbox"/>	<input type="checkbox"/>	External	Morlais Project G2624
	240	<input type="checkbox"/>	<input type="checkbox"/>	✓	Core	Structural Checks Feb / March 2020
	135	✓	<input type="checkbox"/>	<input type="checkbox"/>	Core	Sampling of dark chocolates
	245	✓	<input type="checkbox"/>	<input type="checkbox"/>	Core	Worldpay - Direct Debits
<b>Total Regeneration &amp; Economic Development</b>	<b>1,125</b>					
Waste	4,288	✓		Specific Work	Specific Core Budget	Provision of External Technical Support - Procurement of a new waste collection and cleansing contract
	41	✓		Specific Work	Specific Core Budget	DUoS Offtake
	42	✓		Specific Work	Specific Core Budget	Metering and Settlement fee
	357	✓		Specific Work	Specific Core Budget	Penhesgyn Landfill Gas Technical Support April 2020
	438	✓		Specific Work	Specific Core Budget	Penhesgyn Landfill Environment Permit Variation Application SEMP

	Amount £	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		
	5,260	✓		Specific Work	Specific Core Budget	Penhesgyn Landfill Environment Permit Variation Application Task3
	2,458	✓		Specific Work	Specific Core Budget	Penhesgyn Landfill Annual Water Monitoring Survey and Report
<b>Total Waste</b>	<b>12,883</b>					
Children Services	2,455			✓	Core Budget	Form F Assessment
	11			✓	Core Budget	Purchase Birth Certificate
<b>Total Children Services</b>	<b>2,466</b>					
Transformation	630	✓			Grant	Assessor - Trainee Social Workers
<b>Total Transformation</b>	<b>630</b>					
Council Business	11,847			✓	Unutilised staffing budget	Cover for temporary staff absence
<b>Total Council Business</b>	<b>11,847</b>					
Resources	2,065	✓			Specific core budget	Tax advice & consultancy service
	7,450	✓			Specific core budget	Treasury Services Retainer Contracts
<b>Total Resources</b>	<b>9,515</b>					
<b>Total Q1 - April - June</b>	<b>47,151</b>					



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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>		
<b>Report to:</b>	<b>EXECUTIVE COMMITTEE</b>	
<b>Date:</b>	<b>28 SEPTEMBER 2020</b>	
<b>Subject:</b>	<b>BUDGET MONITORING REPORT FIRST QUARTER 2020/21 - CAPITAL</b>	
<b>Portfolio Holder(s):</b>	<b>COUNCILLOR R WILLIAMS</b>	
<b>Head of Service / Director:</b>	<b>MARC JONES (EXT. 2601)</b>	
<b>Report Author:</b> Tel: E-mail:	<b>JEMMA ROBINSON</b> <b>01248 752675</b> <b>JemmaRobinson@ynysmon.gov.uk</b>	
<b>Local Members:</b>	<b>n/a</b>	
<b>A –Recommendation/s and reason/s</b>		
<ul style="list-style-type: none"> <li>• It is recommended that the Executive note the progress of expenditure and receipts against the capital budget 2020/21 at quarter 1.</li> <li>• To approve £49,000 of additional match funding for the Pentraeth Flood Alleviation scheme, as per paragraph 3.1.1 of this report. The additional cost is as a direct result of Covid-19 which has increased the contract costs to complete the scheme.</li> <li>• To approve £39,000 of additional match funding for the Beaumaris Flood Alleviation scheme, as per paragraph 3.1.1 of this report. The additional cost is as a direct result of Covid-19 which has increased the contract costs to complete the scheme.</li> </ul>		
<b>B – What other options did you consider and why did you reject them and/or opt for this option?</b>		
n/a		
<b>C – Why is this a decision for the Executive?</b>		
<ul style="list-style-type: none"> <li>• This report sets out the financial performance of the Capital budget for the first quarter of the financial year.</li> <li>• Budget monitoring is a designated Executive function.</li> </ul>		
<b>CH – Is this decision consistent with policy approved by the full Council?</b>		
Yes		
<b>D – Is this decision within the budget approved by the Council?</b>		
Setting of the annual Capital Budget.		
<b>DD – Who did you consult? What did they say?</b>		
<b>1</b>	<b>Chief Executive / Senior Leadership Team (SLT) (mandatory)</b>	
<b>2</b>	<b>Finance / Section 151(mandatory)</b>	n/a – this is the Section 151 Officer's report
<b>3</b>	<b>Legal / Monitoring Officer (mandatory)</b>	
<b>4</b>	<b>Human Resources (HR)</b>	
<b>5</b>	<b>Property</b>	
<b>6</b>	<b>Information Communication Technology (ICT)</b>	
<b>7</b>	<b>Procurement</b>	
<b>8</b>	<b>Scrutiny</b>	
<b>9</b>	<b>Local Members</b>	

<b>E – Impact on our Future Generations(if relevant)</b>		
<b>1</b>	<b>How does this decision impact on our long term needs as an Island</b>	
<b>2</b>	<b>Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-</b>	
<b>3</b>	<b>Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:</b>	
<b>4</b>	<b>Have Anglesey citizens played a part in drafting this way forward? Please explain how:-</b>	
<b>5</b>	<b>Outline what impact does this decision have on the Equalities agenda and the Welsh language</b>	
<b>F - Appendices:</b>		
Appendix A - Capital Budget Monitoring Report – Quarter 1 2020/21 Appendix B - Summary of the Capital Projects' Expenditure to date against the Capital Budget and the Projected Expenditure at Year-End		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
<ul style="list-style-type: none"> <li>• 2020/21 Capital Budget, as recommended by the full Council on 10 March 2020;</li> <li>• 2020/21 Treasury Management Strategy Statement, approved by the full Council on 10 March 2020; and</li> <li>• 2019/20 Capital Outturn Report, presented to this Committee on 15 June 2020.</li> </ul>		

## 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 March 2020, the Council approved a Capital Programme (which included estimated slippage) for non-housing services of £17.050m for 2020/21 and a Capital Programme of £20.255m for the HRA. In addition, in June 2020, the Executive Committee approved Capital Slippage of £12.109m to be brought forward from 2019/20, bringing the Capital Programme for non-housing services to £22.336m and £19.032m for the HRA. Since the budget setting process, there have been additional schemes added onto the programme, most of which are grant funded, which amounted to £4.664m. This brings the total Capital budget for 2020/21 to £46.032m.

## 2. PROGRESS ON EXPENDITURE 2020/21

- 2.1 Below is a summary table of the Capital expenditure to 30 June 2020, the profiled budget to 30 June 2020 and the proposed funding of the Capital Programme for 2020/21:-

Service	Annual Budget £'000	Profiled Budget £'000	Actual Expenditure £'000	Committed Expenditure £'000	Total Expenditure £'000	Profiled Budget Spend %	Annual Budget Spent %
Housing General Fund	1,631	82	68	13	81	99	5
Housing HRA	19,032	1,125	456	248	704	63	4
Lifelong Learning	11,802	130	112	28	140	107	1
Economic and Regeneration	3,526	833	354	93	447	54	13
Highways	5,026	679	294	212	506	74	10
Property	1,294	320	364	0	364	114	28
Transformation	529	106	54	44	98	93	19
Planning	1,324	38	0	35	35	93	3
Adult Services	1,867	3	3	0	3	110	0
<b>Total</b>	<b>46,032</b>	<b>3,315</b>	<b>1,705</b>	<b>673</b>	<b>2,378</b>	<b>72</b>	<b>5</b>
<b>Funded By:</b>							
Capital Grant	19,182						
Capital Receipts	414						
Supported Borrowing	7,705						
Unsupported Borrowing	1,796						
Revenue Contribution	16,133						
Reserves	531						
Loan	272						
<b>Total Funding</b>	<b>46,032</b>						

- 2.2 The Profiled budget spent to the end of the first quarter for the general fund is 76%, however, only 6% 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 underway, with the majority of the profiled budget for quarter 1 being spent, schemes such as Beaumaris Flood Alleviation scheme, Disabled Facilities Grant, Tourism Gateway scheme and ICT Desktop Refresh. Some capital schemes have yet to commence, but their budget is profiled towards the latter part of the financial year, such as School Safety, Porth y Wrach Slipway enforcement cameras, Holyhead Landscape Partnership scheme, Resilient Roads scheme, Disabled access to Education buildings, Refurbishing Existing and Education buildings and the adventure playground at Breakwater Park. These schemes and their profile can be seen in Appendix B. There are a number of Capital Grants schemes in 2020/21 and an update on these is provided in Section 3.1 of this report.

**2.3** The Housing Revenue Account has spent 63% of its profiled budget, and 4% of the annual budget. It is currently estimated that the budget will not be spent in its entirety come the end of the financial year. The coronavirus pandemic brought all planned maintenance contracts to a halt towards the end of quarter 4 2019/20 and sites remained closed during lockdown for the majority of quarter 1 2020/21. The Housing Service worked towards recommencing works at a number of sites during the latter stage of quarter 1 2020/21, which included external planned maintenance contracts. This aim was successfully achieved, with all work undertaken in a safe manner which protects both residents and the contractor's workforce. The recommencing of works was, and will, continue to be centered on strict conditions and compliance with approved Risk Assessments, Social Distancing Guidelines and Government Guidelines in connection with construction works during the coronavirus pandemic. Inevitably, these developments had a serious impact on expected expenditure during quarter 1 and may delay capital investment on work involving internal works during the remainder of 2020/21. During quarter 2, we expect expenditure on traditional planned maintenance to recover following recommencement of work on two major contracts.

Similarly, all new build housing developments were shut down at the end of March 2020 due to the coronavirus pandemic. Sites gradually re-opened towards the beginning of May 2020 but, in order to ensure the health and safety of workers and to follow Covid-19 working guidelines, sites opened with a much reduced workforce and reduced efficiency. Expenditure during quarter 1 was much less than planned and, due to continuing with a reduced workforce, expenditure is unlikely to recover fully for the rest of the year.

### **3. FUNDING**

#### **3.1 Capital Grants**

**3.1.1** There are a number of Capital Grant schemes in the Capital Programme for 2020/21, most of which are underway and progressing, with a brief update on the schemes provided below:-

- **Llangefni Strategic Infrastructure** – The scheme involves the construction of five new industrial units on the old Môn Training site and an extension to the Business Centre for letting to the private sector. The new industrial units have now been completed, and all five have been let. Work at the Business Centre has now been completed and office space is currently being advertised. A re-profile has been submitted to the Welsh European Funding Office and a 6 month extension to end of September has been approved for the project. Due to delays on site as a result of Covid, this extension is to be reviewed by WEFO in August. The remaining spends have been allocated to upgrade the cladding and other minor works on the current business centre and work is currently ongoing.
- **Holyhead Strategic Infrastructure** – This scheme is to construct ten new industrial units at Penrhos, Holyhead. The appointed contractor is currently undertaking the work, with an expected completion in August 2020. European Regional Development Funding (ERDF) has been secured and a Joint Venture has been entered into with Welsh Government, which provides the match funding for the scheme. It is anticipated that commissioning to the substation and other related works will be undertaken following handover due to delays experienced on legal matters (which are now in the process of being completed). The units will be available to let from Autumn 2020.
- **21st Century Schools** - From the Band A Projects, new schools at Rhyd y Llan, Ysgol Cybi and Ysgol Santes Dwynwen have all been completed, together with an extension to Ysgol Parc y Bont and a refurbishment at Ysgol Brynsiencyn. The final Band A scheme, which focuses on the school provision in the Llangefni area, was consulted upon over a six week period during quarter 4. Following this completion of the consultation, if a new school is the selected option, the costs for the selected scheme will need to be determined and included in the Final Business Case which is submitted to Welsh Government.



- **Childcare Capital Grant** – £2.718m of grant funding has been secured for the period 2019 to 2021 to adapt a number of primary schools to enable the Council to provide sufficient childcare places to meet demand generated by the childcare offer. Additional facilities will be created at Ysgol Santes Dwynwen £0.400m, Ysgol Morswyn £0.413m, Ysgol Llandegfan £0.450m, Ysgol Pencarnisiog £0.340m, Ysgol Esceifiog £0.364m, Ysgol Henblas £0.370m, Ysgol y Tywyn £0.216m and to deliver a Small Grants Scheme and Project Management £0.165m. Work has been completed at Ysgol Santes Dwynwen, Ysgol Morswyn and Ysgol Pencarnisiog. Works have commenced on site for Ysgol y Tywyn and Ysgol Esceifiog. The Child Care Unit will be delivered at Esceifiog in July 2020 and works will be complete by the end of August 2020. The Child Care Unit will be delivered at Ysgol y Tywyn near the end of July 2020 and works will be complete by mid-September 2020.
- **Market Hall** - The recent public health impacts have delayed the continuation of work with the main contractor, sub-contractors and consultants suspending operations. The defects period expires on the 18 July 2020 (quarter 2 2020/21), when the final retention payment for the Phase II contract will be due. However, this may be delayed while revised safe working practices (PPE etc.) are put in place and approved, before contractors can safely return to site to address the remaining defects. A revised Risk Assessment Method Statement has been requested, as the contractor has indicated a desire to return to site in the near future. Other works will be programmed to be delivered in the next quarter, including the initial phase of heritage interpretation focussing on the building as an internal market place, including the recent donation of the Pollecoff sign to the project.
- **Holyhead Townscape Transformation (Phase II THI)** - Despite the lockdown impacts preventing site visits and face to face discussions, reasonable progress has been made in advancing early discussions with two potential applicants showing interest in continuing to develop proposals for consideration through a formal grant application. Both have statutory consents in place but the loss of time will impact on our proposed spend profile this financial year, pushing the overall delivery programme into next year. Good progress has been made with St Cybi's with Faculty secured to allow excavations to get underway in the lower Churchyard in July 2020. The works to the lower Churchyard gates have been delayed but now are ongoing, with an anticipated reinstallation planned for August 2020. An Engineer has been appointed to develop designs and tender documents for the new stairwell and viewing platform to the NE Tower, with proposals due to be submitted for Scheduled Monument Consent in mid-August 2020. A tender brief for design services related to the public conveniences on Swift Square has been prepared with release in July 2020 to progress this element of work in tandem with other streams to ensure steady expenditure throughout this financial year, while more detailed proposals for the remaining site are being developed that focus on landscape enhancement, heritage interpretation and car park improvements.
- Funding has been approved by Welsh Government for the **Targeted Regeneration Investment Programme (TRIP)**. The purpose of the funding is to bring 108 empty properties back into use through four schemes, being First Time Buyers Support, Vacant Homes Landlord Assistance, Empty Homes Direct Intervention and Town Centre Living. These schemes will be delivered by both the Isle of Anglesey County Council, as the lead authority, and Gwynedd Council, as their joint delivery partner. A revised Offer Letter has been issued for TRIP allocating £1.001m for First Time Buyers Grants, Vacant Homes Landlord Assistance, Town Centre Living and Empty Homes Direct Intervention. These schemes will only be delivered by the Isle of Anglesey County Council in 2020/21, unless further funding can be secured to support schemes in Gwynedd. Despite lockdown, the interest in the First Time Buyer Grants remains high and it is envisaged that the funding across all of the schemes will be fully utilised.

- **The Holy Island Landscape Partnership** – The Landscape Partnership has secured funding of £1.146m from the National Lottery Heritage Fund (NLHF) to deliver a range of projects which focus on the natural environment of Holy Island. Permission to start from NLHF was expected in quarter 3 of 2019/20, but was delayed following a request for a 6 month extension to the European Regional Development Fund funding which is being used as match funding for the Landscape Partnership. As a result of the Covid-19 Pandemic, the recruitment of the Project Manager was put on hold and the Permission to Start from the National Lottery Heritage Fund is still awaited.
- **Hwb In-Schools Infrastructure Grant Scheme** - Covid-19 has delayed the installation of the network equipment and staff PCs purchased in quarter 4 of 2019/20 with installation dates now scheduled July-December 2020. Welsh Government has removed the project completion date in recognition of the impact of Covid-19 on the timeline. The indicative year 2 funds have been revised to include a proportion of the funds now assigned to cover the costs incurred by a side project established during Covid-19 to fund the repurposing of existing school devices for disadvantaged learners. A disadvantaged learner may not have access to a suitable device or broad band connection to engage effectively with distance learning. The revised allocation is £0.631m with 10% (£0.063m) available as mobilisation costs delivered as a grant, mirroring the year 1 arrangement (but with no right to request an allocation that exceeds 10%). £0.029m has been ring fenced to fund the disadvantaged learner programme, leaving £0.539m to use against the ICT catalogue. A series of engagement sessions with the strategic school forums have been used to reach an agreement of the order to be placed from this fund before the end of July 2020, with lead times of up to three months due to an increase in global demand and a manufacturing shortfall.
- **Tourism Gateway** – The Holy Island International Visitor Gateway TAD (Tourism Attractor Destination) Project is a mainly European Regional Development Fund, Welsh Government and Heritage Lottery Fund funded package of projects taking place over several years. Installation Works for the Phase 1 signage within the port have now been completed. Designs for Phase 2 are currently being finalised, with consenting process to be undertaken in September. Consenting process for project adjacent to St Cybi's Church and Swift Square car park is currently being undertaken.
- **Adventure Playground, Breakwater Park** – Welsh Government awarded funding in relation to the Sustainable Development Fund for the Anglesey Area of Outstanding Natural Beauty. £0.100m was awarded for the design and installation of an adventure playground at Breakwater Park. There has been no expenditure to date and the tendering process for the design of the adventure playground will begin at the start of quarter 2. The project is expected to be fully completed within 2020/21.
- **Resilient Roads Fund** – This is a new grant funding stream, introduced this year. The Council have been successful in obtaining funding under this grant to study what resilience measures could be implemented on the A545 and B5109 either side of Beaumaris. Both these roads have a history of closures in times of adverse weather, and increased storminess associated with Climate Change will only worsen the situation. It is anticipated that new staff will be appointed within the Design Service in Highways in early September 2020. Once in place, these staff will begin the process of procuring and managing this consultancy work. Expenditure will likely occur in the final quarter of this year.
- **Holyhead and Amlwch Drainage schemes** - These works are currently ongoing. In Holyhead, there is progression in developing a working agreement with Welsh Water such that modelling data can be shared to allow the study to holistically investigate the flooding risks that face both our and Welsh Water's systems in the town. In Amlwch, there is a need to work closely with Natural Resources Wales, such that the main river flood risk can be considered in the study. Currently awaiting agreement from Welsh Government to allow this to proceed. Both these studies will continue well into the next financial year.

- **Small Scale Grants Work** (25 locations) - This grant is the largest grant that has ever been awarded to the Council for small scale schemes. Unfortunately, it was awarded during the Covid-19 pandemic and, as a consequence, construction works could not begin straight away. However, works are now ongoing on a number of sites with a programme being developed for the remainder. There is the risk that, with the reduced time now available to carry out these works (that have to be completed within the current financial year) and the difficulties of working under social distancing rules, some of the 25 schemes may not be completed. We will be working closely with Welsh Government on this.
- **Beumaris Flood Alleviation** – Works were halted on site towards the end of quarter 4 following the Covid furloughing of staff. Works recommenced and are now substantially complete. There has been additional costs, and Welsh Government have approved additional funding at 85% of which the Council will need £0.039m match, funded from capital reserve.
- **Pentraeth Flood Alleviation** - Welsh Government allocated funding for the Nant y Felin, Pentraeth Flood Alleviation scheme within their programme for 2019/20 financial year. This scheme was on site but then encountered unforeseen ground conditions. Works were halted on site towards the end of quarter 4 following the Covid furloughing of staff. Additional funding has been secured for the difficult ground conditions and for the Covid implications and requires match of £0.049m, funded from capital reserve.
- **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.
- **Road Safety Capital** – This scheme incorporates two projects totalling £0.478m. One project involves the installation of road safety measures on the A5025, Valley to Menai Bridge, and the other project is the introduction of 20mph zones outside schools together with improved pedestrian links. There has been no expenditure in quarter 1, but works have been programmed for quarter 2.
- **Active Travel** - £0.200m of Welsh Government Grant has been secured for minor infrastructure improvements, including installation of signage, cycle parking, removal of access barriers and path widening, as well as developing the Integrated Active Travel maps. The purpose of the grant is to promote and increase levels of active travel, improve health & well-being, reduce carbon emissions and improve active travel for employment, education and key services, destinations and public transport.
- **Local Transport Funding** - £0.376m of Welsh Government grant has been secured in relation to Local Transport Fund, Local Transport Network Fund and Ultra Low Emission Vehicle Transformation Fund. The purpose of these funds are to enable development of integrated, effective, accessible, affordable and sustainable transport systems and to enable development and deliver schemes that support the Welsh Government's zero emission taxi/PHV by 2028 ambition.
  - **Local Transport Fund** - £0.242m has been secured for the completion of construction of the Gaerwen Park and Share site. There has been an increase in costs due to unforeseen conditions on site and additional funding will be requested from Welsh Government.
  - **Local Transport Network Fund** - £0.049m has been secured for bus stop improvements and scheme development for bus passenger facilities at Pencarnisiog junction on the A4080. There has been no expenditure in quarter 1 and it is anticipated that works will begin in quarter 2.

- **Ultra Low Emission Vehicle Transformation Fund** - £0.085m has been secured for the provision of electric vehicle charge points at Llanfairpwll Park and Ride/Share facility as a sustainable transport hub. There has been no expenditure in quarter 1 and it is anticipated that works will begin in quarter 2.

## 3.2 Capital Receipts

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

	Budget 2020/21 £'000	Received to 30-Jun-20 £'000	Projection to 31-Mar-21 £'000
<b>Council Fund:</b>			
Smallholdings	0	20	20
General	313	70	384
Industrial	0	0	0
Schools	554	0	554
<b>Total</b>	<b>868</b>	<b>90</b>	<b>957</b>

3.2.2 The projected Capital Receipts at 31 March 2021 is £0.957m, with £0.090m being received at 30 June 2020 (9%).

3.2.3 Although the Projected Capital Receipts is £0.957m, there is £2.287m of Capital Receipts available to fund the Capital Programme as £1.330m of Capital Receipts were brought forward from 2019/20 in the Capital Receipt Reserve. £1.733m of this can be used to fund the general capital programme, with the other £0.554m available to fund the 21<sup>st</sup> Century Schools programme as part of the Isle of Anglesey County Council's match funding.

## 4. PROJECTED ACTUAL EXPENDITURE 2020/21

4.1 Below is a table with projected Expenditure at 31 March 2021 and the revised funding:-

Service	Annual Budget £'000	Projected Expenditure £'000	Projected (Under) / Over Expenditure £'000	Variance %
Housing General Fund	1,631	1,631	0	0
Housing HRA	19,032	16,922	(2,110)	(11)
Lifelong Learning	11,802	3,825	(7,977)	(68)
Economic and Regeneration	3,526	3,150	(376)	(11)
Highways	5,026	5,029	3	0
Property	1,294	1,294	0	0
Transformation	529	529	0	0
Planning	1,324	846	(478)	(36)
Adult Services	1,867	1,867	0	0
<b>Total</b>	<b>46,032</b>	<b>35,093</b>	<b>(10,939)</b>	<b>(24)</b>
Funded By:	Annual Budget £'000	Projected Funding £'000	Variance £'000	Variance %
Capital Grant	19,182	14,194	(4,988)	(26)
Capital Receipts	414	403	(11)	(3)
Supported Borrowing	7,705	5,354	(2,351)	(31)
Unsupported Borrowing	1,796	136	(1,660)	(92)
Revenue Contribution	16,133	14,262	(1,870)	(12)
Reserves	531	472	(59)	(11)
Loan	272	272	0	0
<b>Total Funding</b>	<b>46,032</b>	<b>35,093</b>	<b>(10,939)</b>	<b>(24)</b>

**4.2** As can be seen from table 4.1 (above), the forecast underspend on the Capital Programme for 2020/21 is £10.939m, with this being potential slippage into the 2021/22 Capital Programme. The funding for this slippage will also slip into 2021/22 and will be factored in when producing the Treasury Management Strategy Statement, Capital Strategy and Capital Programme for 2021/22. The main project that is forecast to be underspent is the 21st Century Schools Programme, which is currently 'on-hold' and is dependent on the outcome of the further consultation on the modernisation of the school provision in the Llangefni Area. However, should this be resolved in the near future, the forecast underspend may be reduced. The HRA is also forecast to have quite a significant underspend, as explained in paragraph 2.3 above.

**4.3** The Capital Finance Requirement forecasted at 31 March 2021 is £139.166m, which is the underlying need for the Authority to borrow to be able to fund its Capital Programme. The external borrowing currently stands at £135.652m, meaning the Authority essentially needs to borrow £3.514m 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 2020/21 Treasury Management Strategy Statement (Appendix 11).

## **5. FUTURE YEARS**

**5.1** The Capital Strategy recommended that the 2020/21 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 2021/22 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 Council 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. Due to the 21st Century school programme being on hold and being dependent on the outcome of the further consultation on the modernisation of the school provision, there is a risk of significant underspend against this project. The Council has secured many different external grants and work is progressing well on most of these schemes. The Council is also expecting to receive £0.957m of Capital Receipts in 2020/21 to contribute towards the funding of the Capital Programme.

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 (%)
<b>Housing General Fund</b>											
Disabled Facilities Grants	636,000	41,541	41,541	0	41,541	0	100	7	636,000	0	0
Residential Site for Gypsies and Travellers	523,506	16,275	2,963	12,835	15,798	(477)	97	3	523,506	0	0
Enable Grant	93,200	1,344	1,344	0	1,344	0	100	1	93,200	0	0
TRIP Landlord Grant Scheme	147,576	23,000	22,454	0	22,454	(546)	98	15	147,576	0	0
TRIP First Time Buyer Grant Scheme	200,000	0	0	0	0	0	0	0	200,000	0	0
Affordable Housing	30,650	0	0	0	0	0	0	0	30,650	0	0
<b>TOTAL</b>	<b>1,630,932</b>	<b>82,160</b>	<b>68,301</b>	<b>12,835</b>	<b>81,136</b>	<b>(1,024)</b>	<b>99</b>	<b>5</b>	<b>1,630,932</b>	<b>0</b>	<b>0</b>
<b>Housing HRA</b>											
Central Heating Contract	400,000	0	0	0	0	0	0	0	200,000	(200,000)	(50)
Planned Maintenance Contract	6,120,000	35,000	0	32,170	32,170	(2,830)	92	1	6,120,000	0	0
Energy Performance Improvement	537,000	0	0	0	0	0	0	0	500,000	(37,000)	(7)
Environmental Works	750,000	0	208	13,749	13,957	13,957	0	2	750,000	0	0
Acquisition of Existing Properties and Development of new properties	9,230,000	1,010,000	379,501	182,482	561,983	(448,017)	56	6	7,680,000	(1,550,000)	(17)
Remodelling Llaur y Dref	2,218	0	2,218	350	2,568	2,568	0	0	2,218	(0)	100
Public Sector Adaptations	350,000	30,000	14,990	16,440	31,430	1,430	105	9	350,000	0	0
Fire Risk	450,000	0	0	0	0	0	0	0	300,000	(150,000)	(33)
Contaminated Land	20,000	0	0	0	0	0	0	0	20,000	0	0
WHQS	1,172,875	50,000	59,009	2,820	61,828	11,828	124	5	1,000,000	(172,875)	(15)
<b>TOTAL</b>	<b>19,032,093</b>	<b>1,125,000</b>	<b>455,925</b>	<b>248,012</b>	<b>703,937</b>	<b>(421,063)</b>	<b>63</b>	<b>4</b>	<b>16,922,218</b>	<b>(2,109,875)</b>	<b>(11)</b>
<b>Lifelong Learning</b>											
Disabled Access in Education Building	500,000	25,000	7,485	15,409	22,894	(2,106)	92	5	500,000	0	0
Refurbish Education Building	2,034,000	5,000	3,346	0	3,346	(1,654)	67	0	2,034,000	0	0
School Safety	200,000	0	0	0	0	0	0	0	50,000	(150,000)	(75)
21st Century Schools - Band A Modernisation	5,409,861	0	0	2,797	2,797	2,797	0	0	148,187	(5,261,674)	(97)
21st Century Schools - Band B Modernisation	2,050,000	0	0	0	0	0	0	0	120,000	(1,930,000)	(94)
Flying Start Capital Grant	39,276	0	0	0	0	0	0	0	39,276	0	0
Increasing Capacity for Childcare Grant	1,569,197	100,000	100,813	9,864	110,677	10,677	111	7	933,722	(635,475)	(40)
<b>TOTAL</b>	<b>11,802,334</b>	<b>130,000</b>	<b>111,644</b>	<b>28,070</b>	<b>139,715</b>	<b>9,715</b>	<b>107</b>	<b>1</b>	<b>3,825,185</b>	<b>(7,977,149)</b>	<b>(68)</b>
<b>Economic and Regeneration</b>											
Plas Arthur Works to Fitness Room	102,864	0	0	0	0	0	0	0	102,864	0	0
Leisure Improvements	250,000	0	170	0	170	170	0	0	250,000	0	0
Tourism Gateway	1,076,233	50,000	0	80,944	80,944	30,944	162	8	700,000	(376,233)	(35)
Holyhead Strategic Infrastructure	1,553,764	748,000	353,874	7,078	360,952	(387,048)	48	23	1,553,764	0	0
Llangefni Strategic Infrastructure	231,360	35,000	0	5,280	5,280	(29,720)	15	2	231,360	0	0
Planning System Invest to Save	15,252	0	0	0	0	0	0	0	15,252	0	0
Economic Development & Environmental Wellbeing	95,000	0	0	0	0	0	0	0	95,000	0	0
Porth Wrach Slipway – Enforcement Cameras	30,000	0	0	0	0	0	0	0	30,000	0	0
School Site Redevelopment TRIP	7,222	0	0	0	0	0	0	0	7,222	0	0
Economic Development - To seek Match Fund	64,150	0	0	0	0	0	0	0	64,150	0	0
AONB Grant - Breakwater Adventure Playground	100,000	0	0	0	0	0	0	0	100,000	0	0
<b>TOTAL</b>	<b>3,525,845</b>	<b>833,000</b>	<b>354,043</b>	<b>93,303</b>	<b>447,346</b>	<b>(385,654)</b>	<b>54</b>	<b>13</b>	<b>3,149,612</b>	<b>(376,233)</b>	<b>(11)</b>

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 (%)
<b>Highways</b>											
Upgrade Pay and Display Machines in Car Parks	30,000	30,000	0	30,307	30,307	307	101	101	30,307	307	1
Vehicles	593,367	105,000	0	105,256	105,256	256	100	18	593,367	0	0
Highways Resurfacing	1,363,582	137,955	0	0	0	(137,955)	0	0	1,363,582	0	0
Highways Refurbishment Grant	599,414	60,414	0	0	0	(60,414)	0	0	599,414	0	0
Beaumaris Flood Alleviation Works (WG)	63,000	60,000	65,245	0	65,245	5,245	109	104	65,245	2,245	4
Pentraeth Flood Alleviation Works (WG)	136,000	136,000	135,982	0	135,982	(18)	100	100	136,000	0	0
Llansadwrn Flood Alleviation	34,922	0	0	0	0	0	0	0	5,000	(29,922)	(86)
Holyhead & Amlwch Drainage Studies	69,845	0	2,285	0	2,285	2,285	0	3	69,845	0	0
Invest to Save - Vehicles	72,980	41,000	0	40,873	40,873	(127)	100	56	72,980	0	0
Small scale grants work	739,921	6,000	0	5,900	5,900	(100)	98	1	639,921	(100,000)	(14)
Active Travel	200,000	30,000	26,150	3,776	29,926	(74)	100	15	200,000	0	0
A545 Beaumaris	24,727	5,132	5,132	0	5,132	0	100	21	24,727	0	0
Road Safety Capital	478,000	0	0	0	0	0	0	0	478,000	0	0
Resilient Roads Fund	105,000	0	0	0	0	0	0	0	85,000	(20,000)	(19)
Local Transport Fund - Gaerwen Park and Share	242,000	2,987	18,593	0	18,593	15,606	622	8	392,000	150,000	62
Local Transport Network Fund - Bus Stop improvement works	49,000	0	0	0	0	0	0	0	49,000	0	0
Vehicle Transformation Fund - Electric Vehicle Charge Points	85,000	0	0	0	0	0	0	0	85,000	0	0
Holyhead Gateway Hub	139,443	64,163	40,367	25,712	66,079	1,916	103	47	139,443	0	0
<b>TOTAL</b>	<b>5,026,201</b>	<b>678,651</b>	<b>293,754</b>	<b>211,824</b>	<b>505,578</b>	<b>(173,073)</b>	<b>74</b>	<b>10</b>	<b>5,028,831</b>	<b>2,630</b>	<b>0</b>
<b>Property</b>											
Refurbish Existing Assets	918,773	50,000	92,425	0	92,425	42,425	185	10	918,773	0	0
Invest To Save Property	272,000	270,000	271,352	0	271,352	1,352	101	100	272,000	0	0
Smallholding Refurbishments	100,000	0	0	0	0	0	0	0	100,000	0	0
Cromlech Farm	3,172	0	0	0	0	0	0	0	3,172	0	0
<b>TOTAL</b>	<b>1,293,945</b>	<b>320,000</b>	<b>363,777</b>	<b>0</b>	<b>363,777</b>	<b>43,777</b>	<b>114</b>	<b>28</b>	<b>1,293,945</b>	<b>0</b>	<b>0</b>
<b>Transformation</b>											
ICT- Core Infrastructure	309,898	40,000	23,000	0	23,000	(17,000)	57	7	309,898	0	0
ICT - Desktop Refresh	121,000	50,000	31,135	28,179	59,314	9,314	119	49	121,000	0	0
ICT - Anglesey Connected (AC) to PSBA transition	15,169	15,619	0	15,619	15,619	(0)	100	103	15,169	0	0
ICT - Upgrade meeting rooms	19,964	0	0	0	0	0	0	0	19,964	0	0
Hwb IT Infrastructure	63,124	0	0	0	0	0	0	0	63,124	0	0
<b>TOTAL</b>	<b>529,155</b>	<b>105,619</b>	<b>54,135</b>	<b>43,798</b>	<b>97,933</b>	<b>(7,686)</b>	<b>93</b>	<b>19</b>	<b>529,155</b>	<b>0</b>	<b>0</b>
<b>Planning</b>											
Holyhead Market Hall Hub Project	281,000	20,000	0	17,450	17,450	(2,550)	87	6	281,000	0	0
Holyhead Landscape Partnership	143,300	0	0	0	0	0	0	0	65,000	(78,300)	(55)
Holyhead Regeneration (THI Phase II)	900,000	17,500	0	17,552	17,552	52	100	2	500,000	(400,000)	(44)
<b>TOTAL</b>	<b>1,324,300</b>	<b>37,500</b>	<b>0</b>	<b>35,002</b>	<b>35,002</b>	<b>(2,498)</b>	<b>93</b>	<b>3</b>	<b>846,000</b>	<b>(478,300)</b>	<b>(36)</b>
<b>Adult Services</b>											
ICF	1,732,800	3,000	3,306	0	3,306	306	110	0	1,732,800	0	0
Bryn Hwfa Community Hub	13,155	0	0	0	0	0	0	0	13,155	0	0
Plas Crigyll Refurbishment	37,978	0	1	0	1	1	0	0	37,978	0	0
Plas Mona Refurbishment	83,371	0	0	0	0	0	0	0	83,371	0	0
<b>TOTAL</b>	<b>1,867,304</b>	<b>3,000</b>	<b>3,306</b>	<b>0</b>	<b>3,306</b>	<b>306</b>	<b>110</b>	<b>0</b>	<b>1,867,304</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>46,032,109</b>	<b>3,314,930</b>	<b>1,704,886</b>	<b>672,843</b>	<b>2,377,729</b>	<b>(937,201)</b>	<b>72</b>	<b>5</b>	<b>35,093,181</b>	<b>(10,938,927)</b>	<b>(24)</b>

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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>REPORT TO:</b>	<b>THE EXECUTIVE</b>
<b>DATE:</b>	<b>28 SEPTEMBER 2020</b>
<b>SUBJECT:</b>	<b>HRA BUDGET MONITORING, QUARTER 1 2020/21</b>
<b>PORTFOLIO HOLDER(S):</b>	<b>COUNCILLOR ROBIN WILLIAMS</b>
<b>HEAD OF SERVICE:</b>	<b>MARC JONES</b>
<b>REPORT AUTHOR:</b>	<b>STEPHEN MOORE</b>
TEL:	01248 752634
E-MAIL:	StephenMoore@ynysmon.gov.uk
<b>LOCAL MEMBERS:</b>	<b>n/a</b>
<b>A - Recommendation/s and reason/s</b>	
<p>1. The Executive is requested to note the following:-</p> <ul style="list-style-type: none"> <li>(i) The position set out in respect of the financial performance of the Housing Revenue Account (HRA) for Quarter 1 2020/21.</li> <li>(ii) The forecast outturn for 2020/21.</li> </ul> <p>2. <b>Background</b></p> <ul style="list-style-type: none"> <li>(i) In March 2020, the Council agreed a revenue budget for 2020/21 that showed a planned surplus of £7.8m.</li> <li>(ii) The capital budget for 2020/21 was £19.1m including allowance for expenditure that was not completed from the 2019/20 capital budget.</li> <li>(iii) The combination of both the revenue budget and adjusted capital budget gave a planned budget deficit of £7.2m which would be funded from the HRA reserve.</li> <li>(iv) The HRA is 'ringfenced', and its reserves cannot be transferred to the General Fund, nor can General Fund reserves be used to fund the HRA.</li> </ul> <p>3. This report sets out the financial performance of the HRA for the period from 1<sup>st</sup> April 2020 to 30<sup>th</sup> June 2020.</p> <p>4. <b>Overview</b></p> <ul style="list-style-type: none"> <li>(i) The revenue financial position for Q1 shows an underspend of £220k. The forecast for income is £50k below the original budget, and expenditure is forecast to be £50k below the original budget, as explained below. More detail is shown in Appendix A.</li> <li>(ii) The capital expenditure is £421k below the profiled budget. The forecast expenditure is £2,112k below budget as explained below. More detail is shown in Appendix B.</li> <li>(iii) The forecast deficit (combining both revenue and capital) is £2,112k less than the budget (reducing the planned deficit to £4,976k), largely the result of lower than budgeted capital expenditure.</li> </ul>	

## 5. Income

- (i) At the end of the first quarter, the level of income received was £52k better than the profiled budget, as noted below.
- (ii) Rental income was £52k above budget. The budget, however, assumes that new properties will come on stream during the year that have been delayed (see also the 'capital' section below). Consequently, the forecast is that income will be £50k below budget by the end of the year.
- (iii) Service charge income, which is based on the actual costs incurred, is just £1k better than budget. The budget was completely reviewed following last year's significant budget underspend.
- (iv) The 30 year plan includes a provision of £280k towards bad debts. 1.5% of the total rent income. This was an increase from 1.25% in the previous year to allow for the continuing roll out of Universal Credit. A bad debt only arises when there is no realistic prospect of recovering the arrears of rent owed. The actual provision in the 2019/20 annual account was £118k, just 0.65% of the total rent income, reflecting the efforts made to ensure that the rent due is recovered.

These provisions were made before the Covid 19 pandemic affected Anglesey. At the end of March 2020, the level of rent arrears was 2.41% of rental income (£438k). At the end of June, this had risen to 3.4% (£625k), an increase of 50%. At this stage there can be no certainty how much of this increase will be recovered over time, or will become irrecoverable and so have to be written off. Past experience would seem to indicate that the provision is currently adequate, but this will be kept under review.

- (v) The overall forecast for income is now a reduction of £50k compared to the original budget by the end of the year.

## 6. Non Repairs and Maintenance Expenditure

- (i) At the end of the first quarter, non repairs and maintenance expenditure was £12k below the profiled budget. Primarily, this is due to the effects of Covid 19, where staff have been re-deployed meaning that other work, such as clean up days, has been cancelled. The forecast has been reviewed and, whilst still expected to be on budget in total, has taken into account the reduced work from the tenant participation team and the additional costs from the development of the mobile working module.

## 7. Repairs and Maintenance

- (i) The Housing Maintenance Unit (HMU) shows an underspend of £226k. This is the direct result of the Covid 19 situation, where only essential repairs are being undertaken which has reduced the costs of materials and the use of subcontractors. The effect of increased activity once normal service can be offered is hard to quantify, but a conservative forecast of a £50k reduction in expenditure compared to the original budget has been made. The situation will continue to be monitored.

- (ii) Expenditure on non HMU building maintenance staff is £14k below the profiled budget at the end of Q1. The forecasted year-end position is that expenditure should be on budget.
- (iii) Other Repairs and Maintenance costs are overspent by £83k compared to the profiled budget. This is largely due to the seasonal nature of grounds maintenance, so the forecast is that it will be on budget by the end of the year.

## **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 2020, totalled £19,144k which was to be funded by the Major Repairs Allowance (£2,660k), other capital grants (£1,450k) and a contribution from the HRA reserve of £15,034k. This includes expenditure carried forward from the 2019/20 capital programme. In the event, not all of the expenditure to be carried over was required, so there is now a revised gross budget of £19,032k and a net budget (after the funding from grants and the Major repairs allowance) of £14,922k. Based on the current information, it is forecast that the actual expenditure will be £16,920k, which is £2,112k below the revised gross budget.
- (ii) Capital projects have been seriously affected by Covid 19, leading to significant delays in projects. This is particularly so in the case of acquiring ex right to buy properties due to the effective suspension of the house property market. The capital forecast has been completely revised on this basis, and expenditure is forecast to be £2,112k below the revised budget at the end of the year. Further details are shown in Appendix B below.
- (iii) The underspend on capital expenditure means that the amount funded from the HRA revenue account is similarly reduced. The balance is then available to fund the projects that have been deferred into next year.

## **10. HRA balance**

- (i) The opening balance of the HRA reserve stood at £8,597k. The revised budget allowed for the use of £7,088k of this balance. However, forecast underspend on the capital budget will result in an additional £2,112k being transferred into the reserve. This will give a reserve balance of £3,621k by the end of the financial year. This balance is ringfenced, so is available to fund future HRA expenditure only.

<b>B - What other options did you consider and why did you reject them and/or opt for this option?</b>		
n/a		
<b>C - Why is this a decision for the Executive?</b>		
This matter is delegated to the Executive.		
<b>CH - Is this decision consistent with policy approved by the full Council?</b>		
Yes		
<b>D - Is this decision within the budget approved by the Council?</b>		
Yes		
<b>DD - Who did you consult?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Strategic Leadership Team (SLT) (mandatory)</b>	
2	<b>Finance / Section 151 (mandatory)</b>	n/a – this is the Section 151 Officer's report
3	<b>Legal / Monitoring Officer (mandatory)</b>	Will be consulted as part of SLT
4	<b>Human Resources (HR)</b>	
5	<b>Property</b>	
6	<b>Information Communication Technology (ICT)</b>	
7	<b>Scrutiny</b>	
8	<b>Local Members</b>	
9	<b>Any external bodies / other/s</b>	
<b>E - Risks and any mitigation (if relevant)</b>		
1	<b>Economic</b>	
2	<b>Anti-poverty</b>	
3	<b>Crime and Disorder</b>	
4	<b>Environmental</b>	
5	<b>Equalities</b>	
6	<b>Outcome Agreements</b>	
7	<b>Other</b>	
<b>F - Appendices:</b>		
Appendix A – Revenue expenditure and forecasts to end of quarter 1. Appendix B – Capital expenditure and forecast to end of quarter 1.		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
<ul style="list-style-type: none"> <li>• 2020/21 HRA budget (as approved by this Committee in March 2020).</li> <li>• HRA 30 Year Business Plan 2020/50 (as approved by this Committee in June 2020).</li> </ul>		

## APPENDIX A

**HRA ACCOUNT 2020/21**

	Annual Budget 2020/21	Profiled Budget to Month 3	Actual to Month 3	Variance to Month 3	Year End Forecast	Year End Variance
	£	£	£	£	£	£
<b>REVENUE ACCOUNT</b>						
<b>Income</b>						
Dwellings	(18,407,000)	(4,601,751)	(4,653,505)	(51,754)	(18,357,000)	50,000
Garages	(218,000)	(54,501)	(54,442)	59	(218,000)	0
Service Charges	(212,000)	(53,000)	(54,331)	(1,331)	(212,000)	0
Other	(199,000)	(39,000)	(37,475)	1,525	(199,000)	0
Bad Debt Provision	280,000	0	0	0	280,000	0
<b>TOTAL INCOME</b>	<b>(18,756,000)</b>	<b>(4,748,252)</b>	<b>(4,799,753)</b>	<b>(51,501)</b>	<b>(18,706,000)</b>	<b>50,000</b>
<b>Non Repairs &amp; Maintenance Expenditure</b>						
Tenant Participation	136,170	34,029	20,266	(13,763)	122,170	(14,000)
Rent Administration	450,220	112,391	119,071	6,680	450,220	0
Estate Management	247,430	61,785	41,307	(20,478)	247,430	0
Other Revenue	899,340	224,760	240,355	15,595	913,340	14,000
<b>Total Non R &amp; M Expenditure</b>	<b>1,733,160</b>	<b>432,965</b>	<b>420,999</b>	<b>(11,966)</b>	<b>1,733,160</b>	<b>0</b>
<b>Repairs and Maintenance</b>						
Housing Maintenance Unit (HMU)	3,112,000	777,863	551,911	(225,952)	3,062,000	(50,000)
Building Maintenance Staff (non HMU)	926,020	231,179	216,886	(14,293)	926,020	0
Other Repairs and Maintenance	448,200	112,059	195,984	83,925	448,200	0
<b>Total Repairs &amp; Maintenance</b>	<b>4,486,220,</b>	<b>1,121,101</b>	<b>964,781</b>	<b>(156,320)</b>	<b>4,436,220</b>	<b>(50,000)</b>
<b>Year End Adjustments</b>						
Capital Financing Charges	3,093,000	0	0	0	3,093,000	0
Recharge from Housing Services	790,630	0	0	0	790,630	0
Recharge from Central Services	818,990	0	0	0	818,990	0
<b>Total Year End Adjustments</b>	<b>4,702,620</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,702,620</b>	<b>0</b>
<b>TOTAL REVENUE EXPENDITURE</b>	<b>10,922,000</b>	<b>1,554,066</b>	<b>1,385,780</b>	<b>(168,286)</b>	<b>10,872,000</b>	<b>(50,000)</b>

<b>TOTAL REVENUE (SURPLUS) / DEFICIT</b>	<b>(7,834,000)</b>	<b>(3,194,186)</b>	<b>(3,413,973)</b>	<b>(219,787)</b>	<b>(7,834,000)</b>	<b>0</b>
<b>CAPITAL EXPENDITURE ACCOUNT</b>						
2020/21 Expenditure	19,032,093	1,125,000	703,937	(421,063)	16,920,000	(2,112,093)
Major Repairs Allowance	(2,660,000)	0	0	0	(2,660,000)	0
<b>Other Grants</b>	<b>(1,450,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,450,000)</b>	<b>0</b>
<b>TOTAL CAPITAL (SURPLUS) / DEFICIT</b>	<b>14,922,093</b>	<b>1,125,000</b>	<b>703,937</b>	<b>(421,063)</b>	<b>12,810,000</b>	<b>(2,112,093)</b>
<b>NET (INCREASE) / DECREASE IN HRA RESERVE</b>	<b>7,088,093</b>	<b>(2,069,186)</b>	<b>(2,710,036)</b>	<b>(640,850)</b>	<b>4,976,000</b>	<b>(2,112,093)</b>
<b>Opening HRA Balance</b>	<b>(8,597,000)</b>				<b>(8,597,000)</b>	
<b>Net (Increase) / Decrease in HRA Reserve</b>	<b>7,088,093</b>				<b>4,976,000</b>	
<b>Closing HRA Balance</b>	<b>1,508,097</b>				<b>(3,621,000)</b>	

Service	Annual Budget (£)	Profiled Budget (£)	Total Expenditure (£)	Variance To Profile (£)	Projected Expenditure (£)	Projected (Under) / Over (£)
<b><u>Housing HRA</u></b>						
Central Heating Contract	400,000	0	0	0	200,000	(200,000)
Planned Maintenance Contract	6,120,000	35,000	32,170	(2,830)	6,120,000	0
Energy Performance Improvement	537,000	0	0	0	500,000	(37,000)
Environmental Works	750,000	0	13,957	13,957	750,000	0
Acquisition of Existing Properties / Development of New Properties	9,230,000	1,010,000	561,983	(448,017)	7,680,000	(1,550,000)
Premises Remodelling of Existing Stock	0	0	2,569	2,569	0	0
Public Sector Adaptations	350,000	30,000	31,430	1,430	350,000	0
Fire Risk	450,000	0	0	0	300,000	(150,000)
WHQS	1,175,093	50,000	61,828	11,828	1,000,000	(175,093)
Remediation Work	20,000	0	0	0	20,000	0
<b>Totals for Housing HRA</b>	<b>19,032,093</b>	<b>1,125,000</b>	<b>703,937</b>	<b>(421,063)</b>	<b>16,920,000</b>	<b>(2,112,093)</b>

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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>		
<b>REPORT TO:</b>	<b>EXECUTIVE COMMITTEE</b>	
<b>DATE:</b>	<b>28 SEPTEMBER 2020</b>	
<b>SUBJECT:</b>	<b>MEDIUM TERM FINANCIAL PLAN 2021/22 – 2023/24</b>	
<b>PORTFOLIO HOLDER(S):</b>	<b>COUNCILLOR R WILLIAMS</b>	
<b>HEAD OF SERVICE:</b>	<b>MARC JONES – HEAD OF FUNCTION (RESOURCES) / SECTION 151 OFFICER</b>	
<b>REPORT AUTHOR:</b>	<b>MARC JONES</b>	
<b>TEL:</b>	<b>2601</b>	
<b>E-MAIL:</b>	<a href="mailto:rmjfi@ynysmon.gov.uk">rmjfi@ynysmon.gov.uk</a>	
<b>LOCAL MEMBERS:</b>	<b>n/a</b>	
<b>A - Recommendation/s and reason/s</b>		
<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>B - What other options did you consider and why did you reject them and/or opt for this option?</b>		
N/A		
<b>C - Why is this decision for the Executive?</b>		
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.		
<b>CH - Is this decision consistent with policy approved by the full Council?</b>		
Yes		
<b>D - Is this decision within the budget approved by the Council?</b>		
N/A		
<b>DD - Who did you consult?</b>		
<b>What did they say?</b>		
<b>1</b>	<b>Chief Executive / Strategic Leadership Team (SLT) (mandatory)</b>	The final draft of the report was discussed and agreed at the SLT, which was attended by the Chief Executive
<b>2</b>	<b>Finance / Section 151 (mandatory)</b>	n/a – this is the Section 151 Officer's report
<b>3</b>	<b>Legal / Monitoring Officer (mandatory)</b>	The final draft of the report was discussed and agreed at the SLT, which was attended by the Monitoring Officer
<b>4</b>	<b>Human Resources (HR)</b>	
<b>5</b>	<b>Property</b>	
<b>6</b>	<b>Information Communication Technology (ICT)</b>	
<b>7</b>	<b>Scrutiny</b>	
<b>8</b>	<b>Local Members</b>	
<b>9</b>	<b>Any external bodies / other/s</b>	

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

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

## MEDIUM TERM FINANCIAL PLAN 2021/22 – 2023/24

## 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 The Medium Term Financial Plan has been finalised during a period of significant uncertainty surrounding the UK economy following on from the global pandemic and the continuing Brexit negotiations. Both are unprecedented events and will have an impact on future levels of public expenditure. It was hoped that, by this point, the UK Government would have completed its Comprehensive Spending Review as planned, which would have provided the Welsh Government with some certainty over its funding over the next 3 years. This review has yet to take place and is unlikely to be completed prior to the announcement of the draft Local Government Settlement by the Welsh Government.
- 1.3 Uncertainty still exists surrounding the timetable for the publication of the draft and final Local Government Settlement. In normal times, the Council would normally receive the draft settlement in October, with the final settlement being received in the run up to Christmas. The 2020/21 draft settlement was not received until January 2020, with the final not received until March 2020, so the precedent for a late settlement has been set.
- 1.4 The Medium Term Financial 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 March 2020, the Council set the following budget:-

**Table 1**  
**2020/21 Revenue Budget**

	£'m
<b>2019/20 Final Net Revenue Budget</b>	<b>135.210</b>
Contractual and Other Committed Changes	1.428
Pay and Price Inflation	3.537
Transfer of Grants and New Responsibilities into the Settlement	0.048
Budget Pressures	2.230
Budget Savings	(0.307)
<b>2020/21 Final Net Revenue Budget</b>	<b>142.146</b>
<b>Funded By</b>	
Aggregate External Finance	101.005
Council Tax (including Premium)	41.141
<b>Total Funding 2020/21</b>	<b>142.146</b>

- 2.2** The aggregate external finance increased by 3.78% (after adjusting for the change in the taxbase and grants transferred into the settlement) and the Council Tax debit increased by 4.9%. The Band D charge was increased by 4.5% and the remainder of the increase was as a result of a change in the taxbase.
- 2.3** In 2018/19, the net revenue budget was underspent by £0.308m. Both Adult Services (£1.085m over budget) and Children's Services (£0.156m over budget) continued the performance seen in 2018/19 but the budget overspend in Children's Services was considerably lower than in 2018/19 following the increase of £1.4m in the 2019/20 core revenue budget. These overspends were offset by underspending in other services, which followed a planned economy drive and one off savings on capital financing costs. The start of the global pandemic also restricted expenditure during the final 2 weeks of the financial year which had some impact.
- 2.4** In order to try and address the underlying budget shortfall, the 2020/21 budget included an additional £0.98m for Adult Services, £0.25m for school transport, £0.20m for secondary school integration and also cancelled a proposed cut of £0.8m in the delegated schools' budget which was deferred in 2019/20. The 2020/21 budget also fully funded the full year cost of the increase in Teachers Pensions Employer Contributions (£0.564m) and increased the Council Tax Reduction Scheme budget by £0.627m to meet the increased number of claimants.
- 2.5** The net underspend in 2019/20 and the movement between reserves resulted in the balance of general reserves increasing to £7.060m from £5.912m. This equates to 4.96% of the 2020/21 net revenue budget, which is very close to the minimum target figure of 5% which has been set by the Council.
- 2.6** The significant unknown is the impact of the global pandemic on the Council's finances. As reported to the Executive in July 2020, there is a potential that, as a result of lost income, increases in the number of Council Tax Reduction scheme cases, losses in the collection of Council Tax and additional demand for services, in particular social care services, as society moves out of the lockdown could result in a potential overspend in 2020/21 of around £3.5m. There is a significant amount of uncertainty surrounding the position and a lot will depend on the level of additional financial support that the Welsh Government will provide over the coming months. Any overspend at the end of the financial year will have to be funded from the Council's reserves and it is likely that the £7m will be much lower at the end of the 2020/21 financial year.
- 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 £8.76m at 31 March 2020, an increase of £0.032m during the year. Although it is possible to transfer some of these reserves back to the general balances e.g. from committed projects which are not progressing, the scope is limited and will not increase the level of general balances significantly.
- 2.8** The level of school balances has fallen from a peak of £2.46m in 2015/16 to £0.197m at the end of the 2019/20 financial year, a reduction of 92% in 5 years. This reduction is a consequence of the financial difficulties facing the majority of the Council's schools. The majority of schools were planning to use their remaining balances to balance their budget in 2020/21. However, the closure of schools for the vast majority of the summer term will provide some savings for schools and it is anticipated that the overall level of school balances will increase by the end of 2020/21.

2.9 The 2020/21 revenue budget included a further round of savings amounting to £0.307m, although this figure is considerably lower than the savings applied in previous years. This takes the total value of savings identified by the Council since 2013/14 to £24.31m. 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 2020/21 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 2020/21 Compared to 2020/21 Net Revenue Budget**

<b>Service</b>	<b>Total Savings 2013/14 to 2020/21 £'000</b>	<b>2020/21 Budget £'000</b>	<b>2013/14 to 2020/21 Savings as % of 2020/21 Budget</b>
Schools	2,640	41,373	6.4%
Central Education	2,245	10,954	20.5%
Libraries, Culture & Heritage	551	1,285	42.9%
Adult Services	3,998	26,863	14.9%
Children and Youth Services	996	10,951	9.1%
Leisure, Maritime & Economic Development	1,430	1,882	76.0%
Housing	614	1,168	52.6%
Highways, Waste & Property	6,825	15,208	44.9%
Regulation	947	2,132	44.4%
Council Business	335	1,668	20.1%
Resources	673	3,109	21.6%
Transformation	769	4,993	15.4%
Corporate Budgets	2,593	20,560	12.6%
<b>Total</b>	<b>24,616</b>	<b>142,146</b>	<b>17.3%</b>

2.10 The table above shows that some level of protection has been given 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. During the 2020/21 budget process, it became increasingly more difficult to identify budget savings in the majority of services by means of efficiency savings alone although, due to a better than expected settlement, there was little need to implement the savings plans.

2.11 The services that have been largely protected from budget savings (Schools, Adult Services, Children and Youth Services) and corporate budgets, which are more difficult to reduce, account for £99.747m of the net budget (70.1%), the 3 support services (Council Business, Resources and Transformation) account for £9.77m of the net budget (6.9%), which leaves the remainder of the front line services (Central Education, Libraries, Culture and Heritage, Leisure, Maritime, Economic Development, Housing, Highways, Waste and Property and Regulation) accounting for £32.629m of the net budget (23.0%). Since 2013/14, these unprotected front line services have put forward 51% of the total savings.

### 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. An assessment of the UK situation is an important element of the Medium Term Financial Plan.
- 3.2 The global pandemic, and the action that the UK Government has taken to support the economy since March 2020, has changed the economic position significantly, with borrowing now exceeding £2 trillion, which is over 100% of the country's GDP for the first time since March 1961. It is expected to reach its highest level as a proportion of GDP since the Second World War.
- 3.3 The level of public sector expenditure in 2021/22 is very much dependant on how quickly the economy recovers. If the number of coronavirus cases in the UK remains low, and this allows a greater level of normality to return, then this may allow for a "V" shaped recovery and this should allow businesses to re-employ staff, thus increasing tax revenues and reducing the welfare budget. This is a very optimistic view and the recovery may be more of an "U" shape, where the recovery does not recommence until Spring 2021 or a "W" shaped recovery, if the country encounters a second wave of coronavirus cases over the winter period.
- 3.4 Another event which may have a significant impact on the economy is whether the Brexit negotiations result in an agreement being reached between the UK Government and the European Union. If the discussions do not reach a successful conclusion, then a no deal Brexit will result, which again could reduce the size of the UK economy and either result in higher borrowing or less public expenditure.
- 3.5 As a response to the pandemic, there is likely to be a push for more spending on the NHS, in order to increase capacity and also to increase the pay of health and care workers. Again, this would have to be funded through higher taxes, higher borrowing or cuts in other budgets. As the Government have not made any long term budget statements since the pandemic, it is unclear what the overall budget strategy will be.
- 3.6 Wage growth prior to the pandemic was running at around 3% but this fell sharply by May 2020 with average earnings falling by 1.5% compared with the same time last year. The local government non-teaching pay award for 2020/21 was recently agreed at 2.75%. This is in line with the Teachers pay award of 2.75% which was effective from 1 September 2019. Both the UK and Welsh Governments have announced pay increases of 2.75% for the majority of teachers but higher increase in the starting salary and the lower end of the pay scale. It is not known at this stage whether the Unions will again be pushing for higher than inflation salary increases in 2021/22 but, given the proposed rise in teachers' pay, it is likely that the Unions will push for a higher than inflation pay award.
- 3.7 Inflation is currently around 1% and is expected to increase slowly over the coming year returning back to around 2% by the end of 2021. However, the impact of the pandemic and Brexit could alter these forecasts considerably. A further lockdown could force prices down but a no deal Brexit could increase the cost of imported goods.
- 3.8 Interest rates are currently at 0.1%. Given the ongoing uncertainty surrounding the economic recovery, it is difficult to predict the change in interest rates over the coming months and there is the possibility of a negative interest rate in the near future. Whatever the shape of the economic recovery is, it is unlikely that there will be a major increase in interest rates in the medium term, when the Government will be trying to get the private sector to invest in order to create jobs and stimulate the economy.

- 3.9** Clearly the economic situation is very poor and, given the large number of unknowns, it is also very difficult to predict. The Prime Minister has made it clear that there will be no return to austerity and that the Government will invest in public infrastructure as a method to help the economy recover. If spending on public services is to be maintained or increased, it will require either increased borrowing or increased taxation and it is unclear whether this is a path that a Conservative Government wishes to follow.

## **4 WELSH GOVERNMENT BUDGET**

- 4.1** Despite an increase in the Welsh Government's budget in 2020/21, the Welsh Government's budget is still around £300m lower in real terms than it was in 2010/11. Since 2009/10, the Welsh Government's budget has fallen by 5%, after adjusting for inflation. Despite this, funding on Health Services has increased by 20% over the period, whilst the funding for Local Government has fallen by 22% (after allowing for inflation and transfers) and this figure increases to 35% if you exclude funding for schools.
- 4.2** In 2020/21, the grant funding for Local Government in Wales increased by 4.3% in cash terms, which is an increase of approximately 2.4% in real terms after allowing for inflation, compared to an increase in Welsh Government day to day spending of 4.1% in cash terms, 2.2% in real terms. Health and Social Care received a slightly higher increase of 4.57% in cash terms, 2.68% in real terms.
- 4.3** It was the UK Government's intention to undertake a comprehensive spending review during the summer of 2019, which would have given an indication on the Welsh Government's funding for the next three years. However, this review was postponed given the issues surrounding Brexit and the General Election in December 2019. The new Conservative Government then intended to undertake the review in the summer of 2020, but again this has been cancelled as a result of the pandemic. It is, therefore, likely that the UK Government will provide a one year budget again in 2021/22, based on the 2020/21 budget.
- 4.4** At this stage it is, therefore, very difficult to predict what the Welsh Government budget will be for 2021/22, and how this budget will be allocated between the the two major elements of the budget, health and local government.

## **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. The Welsh Local Government Association (WLGGA) recently estimated that, in 2021/22, the total budget pressure faced by local government across Wales amounted to £518m and this would rise to £734m in 2022/23. Almost 60% of these figures relate to workforce pressures, with the remainder as a result of demography and general inflation.

### **i. Pay Increases**

The non teaching pay rise for 2020/21 was recently agreed with a pay award of 2.75%. This figure is higher than the 2% allowed for in setting the 2020/21 budget. The additional cost above what was allowed for in the 2020/21 budget is £315k, however, the budget did include a contingency figure of £235k, therefore, only an additional £90k will be required to correct the under provision. Again, there is little detail on what the potential pay award will be in 2021/22 but it is likely that the Unions will be pushing for an above inflation pay award, particularly for staff in the care sector. Each 1% increase adds approximately £500k to the Council's non teaching pay budget. For the purposes of the MTFP, it is assumed that the pay award for each of the 3 years will be 2%.

**ii. Teachers Pay Award**

The teachers pay award is now set by the Welsh Government who announced that, from September 2020, teachers pay would increase by 2.75%, with higher increases in the starting salary and lower pay points. Forecasting the full effect of the pay award on the 2021/22 budget is difficult as the pay award is for the academic year and not the financial year and so the pay award for September 2021 will not be known until the summer of 2021. For the purposes of the plan, an assumption of 2% has again been made. Based on the announced rises and the assumptions made, teachers' pay costs will rise by approximately £830k in 2021/22 and around £600k in the following 2 years. Previously, the Welsh Government have funded the increase in teachers' pay in the settlement.

**iii. Waste Collection Contract**

Following a formal tendering process, the Council have agreed a new waste collection contract with its current contractor (Biffa). Under the terms of the new contract, the estimated contract value will increase by around £800k per annum to reflect the increased costs faced by Biffa, mainly staffing costs. In addition, the Council will fund the purchase of a new fleet of vehicles and equipment which will increase the Council's capital financing charges by around £500k per annum. As the change in contract costs is as a result of a local contract agreement, no specific additional funding will be received from the Welsh Government and the cost will have to be financed by savings and / or increases in Council Tax.

**iv. I.T. Staffing Costs**

The global pandemic has resulted in a change in the way the Council works, with more staff working from home and more services being delivered digitally. This change requires additional capacity to deliver and support the additional software but also to develop systems to allow more of the Council's services to be delivered digitally. An additional £250k has been allowed in the budget for 2021/22 onwards to fund this additional requirement.

**v. Looked After Children**

The number of children in care continues to rise across Wales and this increase has also occurred on Anglesey, with almost double the amount of children being looked after compared to 10 years ago. In 2019/20, the Council managed to maintain costs within budget following an additional £1.4m budget and initiatives to deliver more of the services on the Island, thereby reducing the need for specialist out of county placements. Despite the improvement in the budget position, it is prudent to allow for continued increases in the number of children placed. The plan, therefore, allows for an increase of 5% per annum above inflation. This equates to an additional cost of £275k per annum.

**vi. Adult Social Care**

The percentage of the population in Wales over 65 years of age continues to rise, with Wales being the 7<sup>th</sup> highest country in terms of percentage of population over 65 in the World. Anglesey has the third highest figure in Wales and its percentage of its residents who are over 65 now is in excess of 25% of the population.

In 2019/20, the Service overspent by £1.08m but the majority of this overspend was covered by the addition of £980k to the Service budget for 2020/21. However, the overspending was reduced through the receipt of additional grant funding from the Welsh Government, which cannot be guaranteed in future years.

The plan assumes a 1% increase in costs above inflation, which adds an additional £200k to budget pressures.



**vii. 21<sup>st</sup> 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 for Band A schemes, but increases to a 65% contribution from Welsh Government for Band B schemes. Larger Band B schemes may also be funded through the Mutual Investment Model (MIM). The unsupported borrowing element has an impact 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, if the Council moves forward with the remainder of the Band A and the Band B projects (Llangefni area, Seiriol, Amlwch), 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, estimated to be £550k by 2023/24, with additional MRP charges being incurred in 2024/25.

**viii. Council Tax Reduction Scheme**

Since the funding for the Council Tax Reduction scheme transferred into the local government settlement, Welsh Government funding has remained unchanged. As the levels of Council Tax increase, the cost which falls on the taxpayers of Anglesey, increases although this increase has been offset by a fall in the number of people claiming a reduction. In 2019/20, Council Tax rose by 9.5% and the caseload did not fall as anticipated. This created an overspend in 2019/20 which was corrected in the 2020/21 budget. However, the economic downturn following the pandemic is likely to drive up the caseload and it is unclear at this point if this increase will be funded by the Welsh Government. The plan allows for a 15% increase in the caseload in 2021/22 (compared to the 2020/21 budget figure), with the caseload returning to the pre-pandemic levels by 2023/24. This will increase the cost of the scheme by £900k in 2021/22. In addition, as Council Tax levels rise, then the cost of the reduction scheme also rises. Each 1% rise in Council Tax, creates an additional funding pressure of £60k.

**ix. Regional Growth Bid**

The bid for regional growth funding is continuing with agreement being sought by the 6 North Wales authorities with the UK and Welsh Governments. Although the main capital funding will be provided by the 2 governments, the Councils may be required to undertake short term borrowing to ensure that cash is available to fund the profiled expenditure. In addition, there will be revenue costs to deliver the project and to provide suitable governance arrangements. A proportion of these costs will fall on the 6 Councils to fund. The MTFP takes account of Anglesey's potential share of these costs but it should be noted that these are estimated costs and may change significantly (both upwards or downwards) as the projects progress and depending on the agreed funding model.

**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). 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. Although no indication has been received that any of these grants will be reduced, the Welsh Government are currently reviewing the formula for distributing the Supporting People grant and there is a risk that Anglesey will see its grant reduced following the review.

**xi. Pupil Numbers**

The delegated school budget is revised each year to take account of the change in pupil numbers with the budget for the forthcoming financial year based on the actual pupil numbers, as at the previous September. It is forecast that primary pupil numbers will fall by 2.9% over the next three years, whilst secondary school pupil numbers will rise by 6.8% over the same period. Pupil numbers are also expected to continue to rise to the maximum capacity of 120 pupils. The net effect of these changes will require the delegated schools budget to increase by £325k in 2021/22 followed by increases of £167k and £120k in the following two years

**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 any known changes and they will be finalised when the initial 2020/21 budget 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. It currently stands at 0.8% but could fall if a lockdown is re-imposed or increase should a no deal Brexit materialise. Over the longer term, it 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 £26.6m, which is made up of grants and reimbursements from public bodies, fees and charges set by statute or regulated by the Government or a long term rental agreement and fees and charges where the Council has the discretion to set the fee or charge.

**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 2019/20, the assumption was agreed that non-statutory fees would be increased at 3% per annum or CPI, whichever is the higher. The plan continues on this assumption.

**7 PROJECTED STANDSTILL BUDGET FOR 2021/22 – 2023/24**

**7.1** By 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 2021/22 to 2023/24. 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 2020/21. The estimated standstill budget for the next three year period is shown in Table 3 below:-

**Table 3**  
**Projected Standstill Budget 2021/22 to 2023/24**

	2021/22 £'m	2022/23 £'m	2023/24 £'m
<b>Previous Year Final Budget</b>	<b>142.146</b>	<b>148.205</b>	<b>151.402</b>
One Off Costs and Contingencies falling out of the budget	0.079	0.027	0.064
Pay Inflation, Pension Costs and Incremental Drift	1.977	1.703	1.796
Main Council Contracts – Inflation and Volume Changes	0.975	0.314	0.320
Changes in Demand Led Services	1.444	1.203	1.018
Non Pay Inflation	0.424	0.586	0.599
Levies	0.072	0.073	0.075
Council Tax Reduction Scheme	0.919	(0.352)	(0.670)
Income Increases	(0.831)	(0.609)	(0.623)
Capital Financing Costs	1.000	0.252	0.430
<b>Estimated Standstill Budget</b>	<b>148.205</b>	<b>151.402</b>	<b>154.411</b>
<b>Annual Increase</b>	<b>+ 6.059</b>	<b>+ 3.197</b>	<b>+ 3.009</b>

- 7.2** The estimated standstill budget represents a cash increase of 8.6% over the 3 year period.
- 7.3** More detail on the standstill budget and the assumptions that support the plan are attached as Appendix 3 and 4.
- 7.4** The figures shown above take no account of the cost of dealing with the pandemic and delivering services which reduce the risk of transmission of the virus. If a solution to the virus is not found and social distancing and increased cleaning become the norm, then this will not only increase costs e.g. cleaning, reduced capacity on public and school transport, potential for increased sickness costs, but it will also impact on the Council's major sources of income from leisure centres, car parks etc.

## **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 2020/21 is unclear and very difficult to predict, and trying to predict the likely settlement for the 2 subsequent years is even more difficult.
- 8.3** In 2019/20, Anglesey received £101.005m in Aggregate External Finance from the Welsh Government.
- 8.4** In September 2017, the Executive resolved to increase Council Tax by 5% in each of the 3 subsequent years, this compared to rises of 2.5% in 2017/18 and 4.8% in 2018/19. Despite setting out their intention of a 5% rise in Council Tax, the actual rise for 2019/20 was 9.5%, followed by a 4.5% rise in 2020/21. The Council Tax premium percentages remained unchanged in 2020/21 i.e. 35% for 2<sup>nd</sup> homes and 100% for empty properties.

8.5 Table 4 below shows the additional income that various changes in AEF and increases in Council Tax would have on the Council's funding:-

**Table 4**  
**Impact on Council Funding for Changes in AEF and Council Tax 2021/22**

		Change in AEF Cash Sum						
		- 2%	-1%	0%	+1%	+2%	+3%	+4%
		£'m						
<b>Council Tax Rise (net of rise in CTRS)</b>	<b>0%</b>	- 2.02	-1.01	0.00	+1.01	+2.02	+3.03	+4.04
	<b>1%</b>	-1.67	-0.60	+0.35	+1.36	+2.37	+3.38	+4.39
	<b>2%</b>	-1.32	-0.31	+0.70	+1.71	+2.72	+3.73	+4.74
	<b>3%</b>	-0.97	+0.04	+1.05	+2.06	+3.07	+4.08	+5.09
	<b>4%</b>	-0.62	+0.39	+1.40	+2.41	+3.42	+4.43	+5.44
	<b>5%</b>	-0.27	+0.74	+1.76	+2.76	+3.77	+4.78	+5.79
	<b>6%</b>	+0.08	+1.09	+2.10	+3.11	+4.12	+5.13	+6.14
	<b>7%</b>	+0.43	+1.44	+2.45	+3.46	+4.47	+5.48	+6.49
	<b>8%</b>	+0.78	+1.79	+2.80	+3.81	+4.82	+5.83	+6.84
	<b>9%</b>	+1.13	+2.14	+3.15	+4.16	+5.17	+6.18	+7.19
	<b>10%</b>	+1.48	+2.49	+3.50	+4.51	+5.52	+6.53	+7.54

## 9 BRIDGING THE FUNDING GAP

9.1 It can be seen from Table 4 that any reduction in the AEF in 2021/22 would require a significant rise in Council Tax to ensure that the level of funding in cash terms remains at least at the 2020/21 level (+3% if the AEF falls by 1% and +6% if the AEF falls by 2%).

9.2 In order to meet the required increased in the standstill budget in each year, Table 4 gives an indication of the level of increases in both the AEF and Council Tax required.

**Table 5**  
**Potential Increases in AEF and Council Tax Required to Fund the Increase in the Standstill Budget**

	Increase in Standstill Budget £'m	Increase in AEF		Increase in Council Tax	
		%		%	
		Minimum	Maximum	Minimum	Maximum
<b>2021/22</b>	<b>6.06</b>	<b>+3%</b>	<b>+4%</b>	<b>+6%</b>	<b>+9%</b>
<b>2022/23</b>	<b>3.20</b>	<b>0%</b>	<b>+3%</b>	<b>+1%</b>	<b>+10%</b>
<b>2023/24</b>	<b>3.00</b>	<b>0%</b>	<b>+3%</b>	<b>+0%</b>	<b>+9%</b>

9.3 Therefore, for 2021/22 it would require AEF to rise by 3% and Council Tax by 9% to fund the increase in the Standstill Budget. If the AEF rises by 4%, then it would still require a rise of 6% in Council Tax to fund the increase.

**9.4** It is very unlikely that the AEF will rise by at least 3% and, as a result this would require a rise in Council Tax in excess of 10% to fund the standstill budget of £148.2m. It is, therefore, necessary to find a level of savings in 2021/22 in order to balance the budget. For example, if there was no rise in the AEF and Council Tax was to rise by 5%, this would require savings of £4.3m (£6.06m - £1.76m) and £1.4m in 2022/23 and £1.2m in 2023/24. This is equivalent to a 3% level of savings in 2021/22 and 0.8% in 2022/23 and 2023/24.

**9.5** 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 - £3.59m in 2020/21;  
Capital Financing Costs - £6.94m in 2020/21;  
Council Tax Reduction Scheme - £6.13m in 2020/21;  
Historic Pension Costs - £1.02m in 2020/21;  
Pension Deficit Annual Payment - £0.67m in 2020/21  
General and Specific Contingencies - £0.76m in 2020/21.

It will, therefore, be necessary to find the required savings of £6.9m over 3 years (assuming no increase in AEF and an annual 5% increase in Council Tax) from service budgets, totalling £123.03m (2020/21 budget). This equates to savings of 5.4% over 3 years.

**9.6** 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.

**9.7** 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 been achieved whilst still protecting the budgets for Schools and increasing the budget for Children's Services and Adult Services.

**9.8** 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. The smaller services, i.e. other than Education and Social Care, have generated all the savings they can and to deliver the level of savings required from these services alone, would require significant cuts in both statutory and non-statutory service provision

**9.9** The Council has examined the possibility of making savings through alternative delivery models, e.g. transferring services to others, setting up arms length trading companies or trusts and working in partnership with the private sector. Some services are now delivered by this alternative delivery method, e.g. Melin Llynnon, Beaumaris Gaol, Public Conveniences, Holyhead Park, but these did not generate significant savings. It is not believed that achieving significant savings through alternative delivery methods is possible, given the size of the Council's services, the capacity within the Council to deliver the change and the availability and willingness of external organisations to deliver Council services on Anglesey.

**9.10** The Council has commenced programmes of work to modernise services and deliver them at a lower cost, e.g. the school modernisation programme, provision of social care day services, but these processes take time to complete and have met with resistance from the public and service users. It is unlikely that following the strategy to date will achieve the level of savings required should the local government settlement be poor with little or no growth in cash terms. To achieve a balanced budget, difficult decisions will have 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 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.

## **10 CONCLUSIONS**

**10.1** The Medium Term Financial Plan generates an estimated standstill budget for the next 3 years based on a number of assumptions, but the current pandemic and the ongoing impact it has on the costs of providing services and on income levels does impact on the robustness of those assumptions. This, combined with the lack of information on the future funding of Local Government in Wales, makes an accurate forecast very difficult.

**10.2** Even if the Welsh Government releases additional funds for local government, it is unlikely that any increase will be sufficient to fund the estimated standstill budget, particularly in 2021/22. As a result, a level of budget savings will be required in order to set a balanced budget. The level of those savings will be dependent on how good or bad the local government settlement will be and how high Members are willing to set the rise in Council Tax

**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.

<b>Revenue Expenditure</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Delegated Schools Budgets</b>				
Teachers Pay	21,398,700	21,999,104	22,474,180	22,958,619
Non Teaching Pay	5,990,150	6,165,609	6,298,757	6,434,529
Teachers National Insurance	2,236,630	2,299,385	2,349,041	2,399,675
Non Teaching National Insurance	294,710	302,979	309,522	316,194
Teachers Pensions	5,057,380	5,199,280	5,311,560	5,426,052
Non Teaching Pensions	1,133,950	1,167,165	1,192,370	1,218,072
Energy	854,560	875,924	902,202	929,268
NDR	826,510	847,173	872,588	898,766
Building & Plant Repair and Maintenance	459,080	465,966	475,286	484,791
Grounds Maintenance	170,640	174,906	180,153	185,558
Other non staff related expenditure	3,605,620	3,659,704	3,732,898	3,807,556
Grants and Other Contributions	- 1,391,700	- 1,433,451	- 1,476,455	- 1,520,748
Non Statutory Income	- 27,860	- 29,253	- 30,716	- 31,330
Pupil Number Adjustment	-	325,258	492,049	611,902
Funded by Education Reserves	- 15,270	-	-	-
<b>Total Delegated Schools Budgets</b>	<b>40,593,100</b>	<b>42,019,748</b>	<b>43,083,436</b>	<b>44,118,904</b>
<b>Non School Staffing Costs</b>				
Teachers Pay	587,730	604,220	617,269	630,574
Non Teaching Pay	32,951,407	33,916,596	34,904,433	35,656,810
Teachers National Insurance	74,450	76,631	78,286	79,973
Non Teaching National Insurance	2,981,060	3,068,379	3,134,642	3,202,210
Teachers Pensions	132,760	136,485	139,432	142,438
Superannuation Pension Contributions	6,186,318	6,367,523	6,505,032	6,645,250
Car & Subsistence Allowances	631,240	568,116	511,304	511,304
Pension Deficit Lump Sum Payment	666,810	666,810	666,810	666,810
Historic Pension Costs	1,024,920	999,037	973,808	949,216
Other Staff Costs	820,530	832,838	849,495	866,485
Apprenticeship Levy	346,770	356,927	364,635	372,495
<b>Total Staffing Costs</b>	<b>46,403,995</b>	<b>47,593,563</b>	<b>48,745,145</b>	<b>49,723,564</b>
<b>One Off Costs</b>				
Stem (3 years 2019/20 to 2021/22)	37,500	37,500	-	-
Pay Award Contingency (transferred into staffing costs from 21/22 onwards)	235,030	-	-	-
I.T. Staffing Increase (transferred into the staffing costs from 22/23 onwards)	-	250,000	-	-
Regional Growth Bid - Interest Costs	-	64,000	128,000	192,000
Regional Growth Bid - Project Board and Accountable Body Costs	50,000	50,000	50,000	50,000
<b>Total One Off Costs</b>	<b>322,530</b>	<b>401,500</b>	<b>178,000</b>	<b>242,000</b>
<b>Main Council Contracts</b>				
Refuse Collection	4,221,490	5,032,016	5,132,656	5,235,310
Refuse Disposal	1,313,100	1,313,100	1,313,100	1,313,100
Highway Maintenance	4,589,240	4,681,025	4,774,645	4,870,138
School Meals	2,299,680	2,299,680	2,345,674	2,392,587
School Transport	2,855,690	2,912,804	2,971,060	3,030,481
Public Service Bus Contracts	760,850	776,067	791,588	807,420
<b>Total Main Council Contracts</b>	<b>16,040,050</b>	<b>17,014,692</b>	<b>17,328,724</b>	<b>17,649,036</b>
<b>Joint Services with other Local Authorities</b>				
GwE	403,480	409,532	417,723	426,077
Anglesey / Gwynedd ALN Strategy	1,743,240	1,769,389	1,804,776	1,840,872
Ynys Môn Gwynedd Partnership	179,580	179,580	179,580	179,580
Planning Policy Unit	225,540	228,923	233,502	238,172
Regional Emergency Planning	67,230	68,238	69,603	70,995
<b>Total Joint Services with Other Local Authorities</b>	<b>2,619,070</b>	<b>2,655,662</b>	<b>2,705,184</b>	<b>2,755,696</b>

<b>Revenue Expenditure</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Other Demand Led Services</b>				
Children's Placements	5,458,330	5,813,121	6,220,040	6,468,842
Elderly Service Provision	9,715,190	9,958,070	10,256,812	10,564,516
Physical Disability Service Provision	1,231,980	1,262,780	1,300,663	1,339,683
Learning Disability Service Provision	3,276,930	3,358,853	3,459,619	3,563,407
Mental Health Service Provision	1,528,970	1,567,194	1,614,210	1,662,636
Supported Living	2,621,520	2,687,058	2,767,670	2,850,700
Out County School Placements	1,397,240	1,446,143	1,503,989	1,564,149
Supporting People	37,300	37,860	38,617	39,389
Homelessness	147,830	153,004	159,124	165,489
<b>Total Demand Led Services</b>	<b>25,415,290</b>	<b>26,284,083</b>	<b>27,320,743</b>	<b>28,218,811</b>
<b>Other Council Expenditure</b>				
NDR	1,042,800	1,068,870	1,100,936	1,133,964
Energy	1,046,540	1,072,704	1,104,885	1,138,031
Premises Costs Non Schools	1,921,510	1,950,333	1,989,339	2,029,126
Transport Costs	72,420	73,506	74,976	76,476
Supplies and Services	16,470,280	16,717,334	17,051,681	17,392,715
Members Allowances	757,200	778,137	793,699	809,573
Fire Service Levy	3,593,260	3,665,125	3,738,428	3,813,196
Other Levies	5,240	5,240	5,240	5,240
Council Tax Reduction Scheme	6,128,110	7,047,327	6,694,960	6,025,464
HRA Recharge	- 1,388,450	- 1,426,841	- 1,455,377	- 1,484,485
Contingencies	742,770	753,912	768,990	784,370
NDR Discretionary Rate Relief	70,000	70,000	70,000	70,000
Capital Financing Costs - MRP	2,743,750	3,349,400	3,346,580	3,512,360
Capital Financing Costs - Interest	4,195,350	4,589,953	4,844,933	5,108,761
<b>Total Other Council Expenditure</b>	<b>37,400,780</b>	<b>39,714,998</b>	<b>40,129,269</b>	<b>40,414,791</b>
<b>TOTAL GROSS EXPENDITURE</b>	<b>168,794,815</b>	<b>175,684,247</b>	<b>179,490,501</b>	<b>183,122,803</b>
<b>Income</b>				
Grants / Public Bodies Reimbursements	- 10,673,060	- 10,833,156	- 11,049,819	- 11,270,815
Statutory Income	- 10,574,229	- 10,732,842	- 10,947,499	- 11,166,449
Non Statutory Income	- 5,401,206	- 5,913,242	- 6,090,639	- 6,273,359
<b>Total Income</b>	<b>- 26,648,495</b>	<b>- 27,479,241</b>	<b>- 28,087,958</b>	<b>- 28,710,623</b>
<b>TOTAL NET EXPENDITURE</b>	<b>142,146,320</b>	<b>148,205,006</b>	<b>151,402,543</b>	<b>154,412,179</b>



## MEDIUM TERM FINANCIAL PLAN ASSUMPTIONS

	2021/22	2022/23	2023/24
Teachers Pay Award	2.6%	2.0%	2.0%
Teachers Pension	0.0%	0.0%	0.0%
NI Rates	0.0%	0.0%	0.0%
Non Teaching Pay Award	2.8%	2.0%	2.0%
Non Teaching Pension	0.0%	0.0%	0.0%
Historic Pension Costs	-2.5%	-2.5%	-2.5%
Incremental Drift	0.2%	0.2%	0.2%
Car Allowance Inflation	-10.0%	-10.0%	0.0%
CPI	1.5%	2.0%	2.0%
RPI	2.5%	3.0%	3.0%
Energy Inflation	2.5%	3.0%	3.0%
Non Statutory Income	3.0%	3.0%	3.0%
Children's Placement Caseload	5.0%	5.0%	2.0%
Out of County School Placements	2.0%	2.0%	2.0%
Homelessness Caseload	2.0%	2.0%	2.0%
Refuse Disposal Tonnage	-2.0%	-2.0%	-2.0%
CTRS Caseload	15.0%	-5.0%	-10.0%
Bank Base Rate Increase	0.3%	0.3%	0.3%
Fire Levy	2.0%	2.0%	2.0%
Other Levies	0.0%	0.0%	0.0%
Refuse Collection (including inflation)	19.2%	2.0%	2.0%
Refuse Disposal (including inflation)	2.0%	2.0%	2.0%
Highway Maintenance (including inflation)	2.0%	2.0%	2.0%
School Meals (including inflation)	0.0%	2.0%	2.0%
School Transport (including inflation)	2.0%	2.0%	2.0%
Public Service Bus Contracts (including inflation)	2.0%	2.0%	2.0%
Elderly Service Provision (in addition to inflation)	1.0%	1.0%	1.0%
Physical Disabilities Service Provision (in addition to inflation)	1.0%	1.0%	1.0%
Learning Disabilities Service Provision (in addition to inflation)	1.0%	1.0%	1.0%
Mental Health Service Provision (in addition to inflation)	1.0%	1.0%	1.0%

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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>EXECUTIVE COMMITTEE</b>
<b>Date:</b>	<b>28 SEPTEMBER 2020</b>
<b>Subject:</b>	<b>ANNUAL TREASURY MANAGEMENT REVIEW FOR 2019/20</b>
<b>Portfolio Holder(s):</b>	<b>COUNCILLOR R WILLIAMS</b>
<b>Head of Service / Director:</b>	<b>R MARC JONES</b>
<b>Report Author:</b> Tel: E-mail:	<b>JEMMA ROBINSON</b> <b>01248 752675</b> <b>JemmaRobinson@ynysmon.gov.uk</b>
<b>Local Members:</b>	<b>n/a</b>
<b>A –Recommendation/s and reason/s</b>	
<ul style="list-style-type: none"> <li>• Note that the outturn figures in this report will remain provisional until the audit of the 2019/20 Statement of Accounts is completed and signed off; any resulting significant adjustments to the figures included in this report will be reported as appropriate;</li> <li>• Note the provisional 2019/20 prudential and treasury indicators in this report;</li> <li>• Consider the Annual Treasury Management Report for 2019/20 and pass on to the next meeting of the Full Council with any comments.</li> </ul>	
<b>B – What other options did you consider and why did you reject them and/or opt for this option?</b>	
n/a	
<b>C – Why is this a decision for the Executive?</b>	
<ul style="list-style-type: none"> <li>• To comply with regulations issued under the Local Government Act 2003 and with the Council's Treasury Management Scheme of Delegation for 2019/20 (Appendix 8 of the Treasury Management Strategy Statement 2019/20). In accordance with the Scheme of Delegation, this report was scrutinised by the Audit Committee on 21 July 2020. The report will be presented to the full Council once it has been accepted by this Committee.</li> </ul>	
<b>CH – Is this decision consistent with policy approved by the full Council?</b>	
Yes	
<b>D – Is this decision within the budget approved by the Council?</b>	
N/A	
<b>DD – Who did you consult? What did they say?</b>	
<b>1</b>	<b>Chief Executive / Senior Leadership Team (SLT)(mandatory)</b>
<b>2</b>	<b>Finance / Section 151(mandatory)</b> n/a – this is the Section 151 Officer's report
<b>3</b>	<b>Legal / Monitoring Officer (mandatory)</b>
<b>4</b>	<b>Human Resources (HR)</b>
<b>5</b>	<b>Property</b>

6	Information Communication Technology (ICT)	
7	Procurement	
8	Scrutiny	
9	Local Members	
10	Other	<p>The Audit Committee resolved to:</p> <ul style="list-style-type: none"> <li>• To note that the outturn figures in the report will remain provisional until the audit of the 2019/20 Statement of Accounts is completed and signed off; any resulting significant adjustments to the figures included in the report will be reported as appropriate.</li> <li>• To note the provisional 2019/20 prudential and treasury indicators in the report.</li> <li>• To accept the Treasury Management Annual Review report for 2019/20, and to recommend it to the Executive without comment.</li> </ul>

#### **E – Impact on our Future Generations(if relevant)**

1	How does this decision impact on our long term needs as an Island	
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-	
3	Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:	
4	Have Anglesey citizens played a part in drafting this way forward? Please explain how:-	
5	Outline what impact does this decision have on the Equalities agenda and the Welsh language	

#### **F - Appendices:**

Appendix A – Annual Treasury Management Review for 2019/20

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

- Treasury Management Strategy Statement 2019/20
- Prudential and Treasury Indicators 2019/20
- Treasury Management Mid-Year Review Report 2019/20
- Capital Outturn Report 2019/20

### 1. Introduction

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 2019/20. 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 2019/20, the minimum reporting requirements were that the full Council should receive the following reports:-

- an annual treasury strategy in advance of the year (received on 27 February 2019);
- a mid-year treasury update report (received on 10 March 2020);
- 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. Member training on treasury management issues was undertaken during the year on 07 November 2019 in order to support members' scrutiny role.

The Section 151 Officer confirms that borrowing was only taken out for capital purposes and the statutory borrowing limit (the authorised limit) was not breached.

Furthermore, the report sets out to the following outcomes in the financial year 2019/20:-

- External factors – including a review on the economy, the interest rate performance during the year and the continued uncertainty over Brexit and the impact of Covid 19;
- Internal factors – including the performance of capital expenditure, the impact on the reserves and cash balances, risk appetite to investments, the borrowing taken by the Council and the impact on the Capital Financing Requirement (CFR);
- The Treasury Management Strategy in 2019/20 – including the debt management of the council, the implementation on the new MRP policy, and the councils borrowing and investments during the year;
- Controlling Treasury Management – What are the Prudential Indicators and how are they measured;
- Comparison in Prudential Indicators – A comparison on the actual Prudential Indicators compared to the forecast at the beginning of the year;
- Looking forward to 2020/21 and beyond; and
- Conclusion.

### 2. A Review of the Year – External Factors

**2.1 Interest Rates** - The Bank Rate at the start of the financial year was 0.75%, having been increased from 0.50% in August 2018. This remained unchanged until March 2020, when it was abundantly clear that the corona virus outbreak posed a huge threat to the economy of the UK. Two emergency cuts in Bank Rate from 0.75% occurred in March, first to 0.25% and then to 0.10%. This meant that the counter-party organisations interest rate on the typical call account ranged from 0.10% to 0.65%.

**2.2 The Economy** – In the United Kingdom, 2019 has been very volatile with quarter 1 economic growth unexpectedly strong at 0.5%, quarter 2 poor at -0.2%, quarter 3 bouncing back up to +0.5% and quarter 4 flat at 0.0%, +1.1% y/y. 2020 started with optimistic business surveys pointing to an upswing in growth after the ending of political uncertainty as a result of the decisive result of the general election in December settled the Brexit issue. However, the three monthly GDP statistics in January were disappointing, being stuck at 0.0% growth. Since then, the whole world has changed as a result of the coronavirus outbreak. It now looks likely that the closedown of whole sections of the economy will result in a fall in GDP of at least 15% in quarter two. What is uncertain, however, is the extent of the damage that will be done to businesses by the end of the lock down period, when the end of the lock down will occur, whether there could be a second wave of the outbreak, how soon a vaccine will be created and then how quickly it can be administered to the population. This leaves huge uncertainties as to how quickly the economy will recover.

After the Monetary Policy Committee raised Bank Rate from 0.5% to 0.75% in August 2018, Brexit uncertainty caused the MPC to sit on its hands and to do nothing until March 2020; at this point it was abundantly clear that the coronavirus outbreak posed a huge threat to the economy of the UK. Two emergency cuts in Bank Rate from 0.75% occurred in March, first to 0.25% and then to 0.10%. These cuts were accompanied by an increase in quantitative easing (QE), essentially the purchases of gilts (mainly) by the Bank of England of £200bn. The Government and the Bank were also very concerned to stop people losing their jobs during this lock down period. Accordingly, the Government introduced various schemes to subsidise both employed and self-employed jobs for three months while the country is locked down. It also put in place a raft of other measures to help businesses access loans from their banks, (with the Government providing guarantees to the banks against losses), to tide them over the lock down period when some firms may have little or no income. However, at the time of writing, this leaves open a question as to whether some firms will be solvent, even if they take out such loans, and some may also choose to close as there is, and will be, insufficient demand for their services. At the time of writing, this is a rapidly evolving situation so there may be further measures to come from the Bank and the Government in the months ahead. The measures to support jobs and businesses already taken by the Government will result in a huge increase in the annual budget deficit in 2020/21 from 2%, to nearly 11%. The ratio of debt to GDP is also likely to increase from 80% to around 105%. In the Budget in March, the Government also announced a large increase in spending on infrastructure; this will also help the economy to recover once the lock down is ended. Provided the coronavirus outbreak is brought under control relatively swiftly, and the lock down is eased, then it is hoped that there would be a sharp recovery, but one that would take a prolonged time to fully recover previous lost momentum.

Inflation has posed little concern for the MPC during the last year, being mainly between 1.5 – 2.0%. It is also not going to be an issue for the near future as the world economy will be heading into a recession which is already causing a glut in the supply of oil which has fallen sharply in price. Other prices will also be under downward pressure while wage inflation has also been on a downward path over the last half year and is likely to continue that trend in the current environment. While inflation could even turn negative in the Eurozone, this is currently not likely in the UK.

Employment had been growing healthily through the last year but it is obviously heading for a big hit in March – April 2020. The good news over the last year is that wage inflation has been significantly higher than CPI inflation which means that consumer real spending power had been increasing and so will have provided support to GDP growth. However, while people cannot leave their homes to do non-food shopping, retail sales will also take a big hit.

**2.3 Brexit** - The main issue in 2019 was the repeated battles in the House of Commons to agree on one way forward for the UK over the issue of Brexit. This resulted in the resignation of Theresa May as the leader of the Conservative minority Government and the election of Boris Johnson as the new leader, on a platform of taking the UK out of the EU on 31 October 2019. The House of Commons duly frustrated that renewed effort and so a general election in December settled the matter once and for all by a decisive victory for the Conservative Party: that then enabled the UK to leave the EU on 31 January 2020. However, this still leaves much uncertainty as to whether there will be a reasonable trade deal achieved by the target deadline of the end of 2020. It is also unclear as to whether the coronavirus outbreak may yet impact on this deadline; however, the second and third rounds of negotiations have already had to be cancelled due to the virus.

### 3. A Review of the Year – Internal Factors

**3.1 Capital Expenditure and financing 2019/20** - 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: If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

	2019/20 Estimate (£'m)	2019/20 Actual (£'m)
General Fund capital expenditure	30	18
HRA capital expenditure	14	12
<b>Total capital expenditure</b>	<b>44</b>	<b>30</b>
General Fund financed in year by Grants & Contributions	22	15
HRA financed in year by Grants & Contributions	4	4
General Fund financed in year by Council Resources	1	1
HRA financed in year by Council Resources	10	8
<b>General Fund capital expenditure financed by borrowing</b>	<b>7</b>	<b>2</b>
<b>HRA capital expenditure financed by borrowing</b>	<b>0</b>	<b>0</b>

The main reason for the underspend was the large underspend against the projects listed below-

	Underspend £'m	Comment
Temporary Stopping Site for Gypsies and Travellers	0.524	Tender arrangements not finalised in 2019/20 but are expected to be completed in Quarter 1 of 2020/21.
Disabled Facilities Grants	0.491	It is very much demand led and subject to certain qualifying criteria, in particular a test of resources does apply to all potential clients which can negatively impact on the number of cases that proceed to grant approval.
21 <sup>st</sup> Century School Schemes	4.547	Further consultation has delayed the commencement of the chosen schemes. Further slippage is anticipated in 2020/21.
Holyhead Strategic Infrastructure	1.554	Project had to be retendered and did not commence until Autumn 2019. Work stopped in March 2020 due to Covid-19.
Tourism Gateway	1.076	Awaiting permission to commence the project from the Heritage Lottery Fund who are match funding 2 projects.
Red Wharf Bay Flood Defence	0.638	Project design yet to be finalised.
IT Hardware	0.420	Items requiring replacement lower than anticipated.
Planned Maintenance Contracts	0.970	Timing of tender arrangement and contract awards, actuals expenditure did not meet initial expectations.

**3.2 Reserves and Cash balances** - the Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's core cash resources comprised as follows:-

Usable Reserves and Provisions	Draft 31-Mar-20 £'m	Final 31-Mar-19 £'m
Council fund general reserve	7.060	5.912
Earmarked reserves	8.760	8.728
Housing Revenue Account (HRA) reserve	8.597	8.387
School reserves	0.197	0.631
Capital receipts Reserves	1.330	1.186
<b>Total Usable Reserves</b>	<b>25.944</b>	<b>24.844</b>
<b>Provisions</b>	<b>5.180</b>	<b>5.234</b>
<b>Total Usable Reserves and Provisions</b>	<b>31.124</b>	<b>30.078</b>

**3.3 Externalisation of borrowing** – 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 the resources utilised to pay for the capital spend. It represents the 2019/20 capital expenditure financed by borrowing, and prior years' capital expenditure funded by borrowing which has not yet been paid for by revenue or other resources. 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. In March 2020, the Council took out one short term borrowing with the PWLB to fund planned capital expenditure to the end of the financial year. On 18 March 2020, the Council borrowed £10m with an interest rate of 2.05% and will mature on 18 March 2021.



**3.3.1 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.

The internal borrowing strategy has now been implemented over the last few years. The gross borrowing of £139.2m at 31 March 2020 is above the CFR as at 31 March 2020 but is within the forecast CFR for the following two years. The year-end position of exceeding the CFR is due to the £10m borrowing which was taken in March 2020 and the resulting global pandemic meant that capital expenditure in the final month was lower than anticipated, which resulted in external borrowing exceeding the CFR. This is only for the short term as the level of external borrowing will fall below the CFR in 2020/21 as external borrowing is repaid and capital expenditure incurred.

	Actual 2019/20 £'m	Estimated 2020/21 £'m	Estimated 2021/22 £'m
Capital Financing Requirement	136.9	148.0	163.3

**3.3.2 Internal borrowing** - is when over the medium term, the investment rates are expected to continue to be below long term borrowing rates. This means that value for money considerations would indicate that value could best be obtained by avoiding new external borrowing and by using internal cash balances to finance new capital expenditure, or to replace maturing external debt. This would maximise short term savings. The Internal borrowing figure is the difference between the CFR and the Gross Borrowing Position. As can be seen in the table below, at the beginning of the year the internal borrowing position was £6.2m. By taking out one new PWLB Loan as stated in paragraph 3.3 of this report, the Internal borrowing position at 31 March 2020 was reduced and actually put the Council in an overfunding of CFR position (as explained in 3.3.1 above).

	31 March 2019 Actual £'m	31 March 2020 Actual £'m
Gross borrowing position	132.5	139.2
CFR	138.7	136.9
(Underfunding) / overfunding of CFR	(6.2)	2.3

**3.4 Other Borrowing-** During the year, the Council did not enter into any other short-term borrowings. An interest free loan of £1.878m was received during 2019/20 to fund capital expenditure on energy saving projects and will be repaid in annual instalments.

**3.5 Debt Repayments** - A PWLB Loan matured during the year on 20 May 2019 and was for £5m. The loan was originally taken in 2010 at an interest rate of 3.52%. There were no other short term borrowings in the year.

**3.6 Investments** – 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 £33m, ranging between £11m and £33m. The interest budget was set at £0.032m after adjusting for the higher rates on existing investments. As it turned out, average balances of £22.4m returned £0.128m at an average interest rate of 0.57%. Investments in other Local Authorities contributed to this increase in interest receivable.

Part of the Council's deposits were held in no notice deposit accounts which pay interest at rates near the prevailing base rate, £14.208m at 0.48% on 31 March 2020 (31 March 2019 £14.333m at 0.53%). There were two loans to another local authorities (£3.000m each) at the interest rate of 0.76% and 0.90% (£nil as at 31 March 2019). All investments were for under 1 year.

**3.7 Treasury Position at 31 March 2020** - 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 2019/20. The upper limits for fixed rate and variable rate exposures were not breached during the year. The borrowing and investment figures for the Council as at the end of the 2018/19 and 2019/20 financial years are as follows:-

	31 MARCH 2019			31 MARCH 2020		
	£'m	Average Rate (%)	Average Maturity (years)	£'m	Average Rate (%)	Average Maturity (years)
Debt PWLB	132.5	5.70	30.29	136.4	4.53	28.21
Debt Non-PWLB				2.8	0	4.04
<b>Total</b>				<b>139.2</b>		
CFR	138.7			136.9		
Over / (under) borrowed	(6.2)			2.3		
Fixed term investments (all < 1 year, managed in house and fixed rate)				6.000	0.83	
No notice investments (all managed in house)	14.333	0.53		14.208	0.48	
<b>Total Investments</b>	<b>14.333</b>	<b>0.53</b>		<b>20.208</b>	<b>0.58</b>	

Borrowing is further broken down by maturity as:-

	31 MARCH 2019		31 MARCH 2020	
	£'m	% of total	£'m	% of total
Total borrowing	132.5	100	139.2	100
Under 12 months	5.2	3.9	14.8	10.6
12 months and within 24 months	4.6	3.5	2.6	1.9
24 months and within 5 years	4.6	3.5	3.2	2.3
5 years and within 10 years	4.2	3.1	6.2	4.5
10 years and above	113.9	86.0	112.4	80.7

The reason for the increase in borrowing of under 12 months from 31 March 2019 and 31 March 2020 is the one PWLB that was taken out during the year, as mentioned in paragraph 3.3 of this report.

#### 4. The Council's Treasury Management Strategy in 2019/20

- 4.1 Debt 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.
- 4.2 Borrowing in advance of need** – During the year, the Council did not borrow more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

- 4.3 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 27 February 2019. 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. When the Council invests its surplus cash, the most important aspect of the investment is security, followed by liquidity and then the yield. This essentially means that the main priority is the safety of the cash, followed by how readily available the cash is should the Council require it followed by the percentage interest rate return that the Council will receive for the investment. The strategy on investing surplus cash would be to borrow short term with other Local Authorities to maximize returns in a secure way.
- 4.4 Borrowing strategy and control of interest rate risk** - During 2019 and until March 2020, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council’s reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered. As stated in paragraph 3.3 of this report, in March 2020 the Council did undertake a short term borrowing with the PWLB, to fund planned capital expenditure to the end of the financial year. As described in 3.3, this resulted in exceeding the CFR at year end, but this is only for the short term as external borrowing is repaid and capital expenditure incurred.
- 4.5 MRP Policy** – In 2018/19 the Council implemented its new MRP policy after seeking advice from its Treasury advisors and consultation with External Audit. The new policy is a more prudent approach to charging Revenue for Capital Financing costs. The New policy can be seen in Appendix 6 of the Treasury Management Strategy Statement 2019/20 that was approved by full Council on February 27 2019.

## 5. Controlling Treasury Management

The following Prudential indicators are contained in Appendix 11 of the Treasury Management Strategy Statement. See below a brief explanation of what the indicators are and how they are calculated. Section 6 of this report with analyse the difference between the Actual and the forecast Prudential Indicators for 2019/20.

- **Capital expenditure – Estimates of Capital Expenditure** - This is the forecast Capital Expenditure from 2019/20 to 2022/23, and is based on the Capital Programme for 2019/20 and the Capital Strategy for 2020/21.
- **The Council’s borrowing need (the Capital Financing Requirement)** - Another prudential indicator is the Council’s Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council’s underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR. The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life, and so charges the economic consumption of capital assets as they are used.
- **Prudence - Gross Debt and the CFR** - The Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2019/20 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

- **External Debt - The authorised limit for external debt** - A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised. The S151 Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget report. The Authorised Limit is set annually in the Treasury Management Strategy Statement and is approved by full Council.
- **The operational boundary** - This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached. The Operational Limit is set annually in the Treasury Management Strategy Statement and is approved by full Council.
- **Affordability - Ratio of financing costs to net revenue stream** - This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

## 6. Prudential Indicators Actual vs Expected

6.1 During 2019/20, 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	2018/19 Actual £'m	2019/20 Original £'m	2019/20 Actual £'m
<b>Capital expenditure</b>			
• Non-HRA	21.650	18.020	18.203
• HRA	9.028	13.110	11.812
• <b>Total</b>	<b>30.678</b>	<b>31.130</b>	<b>30.015</b>
<b>Total Capital Financing Requirement:</b>			
• Non-HRA	97.847	104.103	96.903
• HRA	40.815	40.998	40.001
• <b>Total</b>	<b>138.662</b>	<b>145.101</b>	<b>136.904</b>
<b>Gross borrowing</b>	132.549	124.996	139.232
<b>External debt</b>	132.549	124.996	139.232
<b>Investments</b>			
• Longer than 1 year	0	0	0
• Under 1 year	14.333	15.000	20.208
• <b>Total</b>	<b>14.333</b>	<b>15.000</b>	<b>20.208</b>
<b>Authorised Borrowing limit</b>	177.0	178.0	139.2
<b>Operational Boundary</b>	164.0	173.0	139.2
Financing costs as a proportion of net revenue stream – CF	4.92%	5.23%	5.03%
Financing costs as a proportion of net revenue stream – HRA	16.88%	15.57%	18.78%

**6.2** The first Prudential Indicator in the above table is the Capital Expenditure. The forecast Capital Expenditure at the time of producing the Prudential indicators for 2019/20 was £31.130m. However, the actual expenditure was £30.015m. The reason for the reduced expenditure is explained in paragraph 3.1 of this report, and is mainly due to the significant underspend in capital projects described.

**6.3** The second Prudential indicator in the above table is the Capital Financing Requirement. 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. 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).

The forecast CFR at the time of producing the Prudential indicators for 2019/20 was £145.101m. However, the actual CFR was significantly lower at £136.904m. One of the reasons for the reduced CFR was the underspend in the 21<sup>st</sup> Century Schools programme, thus reducing the amount of Unsupported Borrowing needed in 2019/20. Another reason was that additional grants were awarded during the year to subsidise other funding sources such as Supported Borrowing. This meant less Supported Borrowing was needed and therefore reducing the CFR figure. However, in future years, this subsidised funding source will be used to fund the Capital Expenditure in 2020/21 and will increase the CFR.

**6.4** The Authorised Borrowing Limit (£178m) and the Operational Boundary (£173m) were not breached during the year, with the amount of External debt peaking at £139.2m only.

**6.5** The Financing costs as a proportion of net revenue stream for the General Fund (5.03%) was very close to the anticipated total (5.23%) meaning this indicator performed as expected, and also in line with the prior year. The Financing costs as a proportion of net revenue stream for the HRA (18.78%) was above the anticipated total (15.57%) which is due to the financing costs being higher and the net revenue stream being lower than expected at the time of producing the proposed indicator for 2019/20. The underspend on HRA reduced the amount of Revenue contributions needed to fund the capital programme in 2018/19 from £9.9m to £7.6m.

## **7. Looking forward to 2020/21 and beyond**

**7.1** On 10 March 2020 the full Council approved the Treasury Management Strategy Statement for 2020/21. The Strategy Statement was based on the Capital Strategy and it is forecast that the Council will need to borrow an additional £9.6m in 2020/21 for the General Fund and HRA, a total of £19.2m in 2021/22 and a further total of £10.1m in 2022/23 to fund its Capital Programme. This additional borrowing will affect the General Fund with an increased Minimum Revenue Provision (MRP) being charged to fund the capital financing costs. In 2020/21 the forecast MRP is £3.7m, in 2021/22 £3.9m and £4.4m in 2022/23.

**7.2** There have been no new investments made in the year to date.

**7.3** On 24 April 2020 a £3.0m investment with Stockport Metropolitan Council matured, and was repaid to Isle of Anglesey County Council. On 01 May 2020 a £3.0m investment with Salford City Council matured and was repaid to Isle of Anglesey County Council.

**7.4** On 08 June 2020, a £3.5m borrowing from the PWLB was repaid by the Isle of Anglesey County Council. This loan was taken out on 16 February 1995 with an interest rate of 8.625%.

7.5 The latest interest rate forecast from Link Assets Services can be seen in the table below.

Interest Rate Forecasts								
Bank Rate	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Link	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%

## 8. Conclusion

The Council's Treasury Management performance during the year was in line with the strategy of low risk, low return investments and a planned approach to borrowing designed to minimise interest charges.

The performance against the Prudential Indicators set by the Council show that the Council's Treasury Management activities are being undertaken in a controlled way which ensure the financial security of the Council and do not place the Council at any significant financial risk in terms of unaffordable or excessive borrowing.

The Council's Treasury Management Strategy and its performance against the strategy take into account the external economic factors and it is constantly reviewed to ensure that it is the most appropriate strategy moving forward.

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	The Executive
<b>Date:</b>	28 <sup>nd</sup> September 2020
<b>Subject:</b>	Social Services Improvement Panel Update
<b>Portfolio Holder(s):</b>	Councillor Llinos Medi
<b>Head of Service:</b>	Fôn Roberts, Director of Social Services & Head of Children and Families Services Iola Richards, Interim Head of Adults Services
<b>Report Author:</b>	Emma Edwards Deputy Business Manager, Adults' Services
Tel:	01248 751887
E-mail:	<a href="mailto:Emmaedwards@ynysmon.gov.uk">Emmaedwards@ynysmon.gov.uk</a>
<b>Local Members:</b>	Relevant to all Members

<b>A –Recommendation/s and reason/s</b>
<p><b><u>RECOMMENDATIONS</u></b></p> <ul style="list-style-type: none"> <li>➤ <b>To confirm that the Executive Committee is satisfied with the pace of progress and improvements made to date within both Adult Services and the Children &amp; Families Services.</b></li> </ul> <p><b><u>Background - Social Services Improvement Panel</u></b></p> <p>This report aims to advise members of the Executive Committee of progress since the initial meeting of the Joint Social Services Improvement Panel.</p> <p>Whilst our work is prioritised around statutory requirements, we also align our efforts to assist the corporate priorities as listed in the Council Plan. The relevant objectives for our services is:</p> <p>Objective 2: Support Vulnerable Adults and Families to Keep Them Safe, Healthy and As Independent As Possible</p> <p><b>1. Children &amp; Families Service Update:</b></p> <p><b>i) Increasing the number of Local Authority Foster Carers-</b> By offering a high level of professional support as well as enhancing the package to include a 10% increase in foster care allowance, a 50% reduction in Council Tax, free leisure services membership cards and a free parking ticket for use in our car parks.</p> <p>During 2019/20 the Local Authority recruited an additional 7 Foster Carers offering 13 new foster placements for the children and young people of Ynys Môn. Throughout Q1</p>

CC-016749-LB/229501

and Q2 of 2020/21 we have continued to recruit, assessment take foster carers to the Fostering Panel which has been convened virtually. During Q1 and Q 2 we have approved 5 new foster carers which offer in total 9 extra placements.

The increase in the foster care package has had a positive impact on the number of foster carers and we have a much wider choice of placements available to Ynys Môn children now.

**ii) Opening our first “Cartrefi Clyd”:**

Working towards our family-style homes, on the island which will enable looked after children from Anglesey to receive care on the Island, attend local schools and participate in community life as opposed to potentially being placed in accommodation further away from the local community they are used to.

We have succeeded in getting two Cartref Clyd registered with Care Inspectorate Wales (CIW) to date. We are currently training the staff by implementing detailed training plans for each member of staff.

We have a young person in our one bedroomed property and two children are planned to move into the second home imminently. We have a third property is currently being refurbished in preparation for registration application.

We have secured ICF funding to provide one property which will provide care for disabled young people who have complex needs, to enable them to remain in the local area rather than have to move to specialist residential placements which are all out of county.

**iii) “ Opening a Training flat’ for young people leaving care so that we can support them to live independently for the first time.**

We opened a new “training flat” base in Llangefni in January 2020 to provide a central and homely base for care leavers to provide them with an opportunity to experience living independently and to learn and develop their skills to live independently in the future. This forms part of their pathway plans.

Since opening, 8 young people have stayed at the flat for short periods of time before returning to their foster carers.

The feedback we have received for the young people has been very positive and here are some of the comments we have received:

**“lovely flat enjoyed the independence”**

**“enjoyed cooking for myself and looking at what to buy”**

**“yeah sound place”**



**“handy place to learn about cooking and budgeting and things”**

## **2) Adult Services Update:**

### **i) Continue to work on planning for a new extra care housing provision in the South of the Island –**

Which will offer a home for life for people over 60 years of age who wish to live independently in a safe and welcoming community with care and support services on site. Progress on planning for the development of Extra care accommodation in the south of the island has been on hold due to the decision to rescind the previous decision on the future of Ysgol Gynradd Beaumaris. Over the next few months, and dependant on any Coronavirus implications, a revised action plan will be considered and progressed in partnership with key stakeholders to review island wide provision.

### **ii) Develop the Shared Lives programme to support people living with dementia and their carers as well as design a Dementia Strategy which is in line with the Welsh Government Dementia Plan-**

The Shared Lives programme provides support for people living with dementia and their Carers. The focus is on early intervention for individuals presenting with moderate needs, and look specifically to offer respite & short-break provision. We are currently working with 3 enablers who are at various stages of the registration process. Reviews of each premises have been undertaken and enablers are currently undertaking a training programme. We anticipate they will be in a position to support individuals during the Autumn.

### **iii) Develop opportunities for people with mental health needs to participate in community based group activities-**

During the year, we further developed a weekly programme of group activities for people with mental health issues with a focus on recovery, well-being, physical activity and reducing social isolation. Some of the programme is run in conjunction with third sector organisations, the council's nature park wardens and Betsi Cadwaladr University Health Board. A key feature is co-production with people with lived experience and the use of local resources across the island.

### **iv) Increase participation levels in the community hub models by promoting and developing the hubs held across the Island-**

v)The Community Hubs continued to grow during 2019/20 and there are over 1,100 individuals participating in community hub activities.

We have established a Community Hub Alliance that brings the hubs together to pool resources and share good practice. The social prescribing model through the Local Asset Co-ordinators continue to support lonely and isolated people and link them into community hub activities.

A recent development is the new software “Elemental” that GP’s can use to refer individuals directly to the social prescribing service.

We also started work on developing a virtual community hub programme by developing a website and associated “app” with activities, information and advice. This work will continue into 2020/21.

**Establish 3 Community Resource Teams, located in Amlwch, Ysbyty Penrhos Stanley and Llanfairpwll, that will bring Council and Betsi Cadwaladr Staff together to improve access to our care and support services at the earliest opportunity-**

Work to establish three Community Resource Teams (CRT) located in Amlwch, Ysbyty Penrhos Stanley and Llanfairpwll was undertaken during the year. All Health and Social Care staff have been designated to their allocated CRT in the three areas.

A refurbishment of accommodation, IT infrastructure and operational policies and procedures is taking place in each area.

Plans to transfer staff into virtual CRT will start on 14<sup>th</sup> September 2020.

**Engage and consult with users on the Adult Learning Disability Day opportunity Strategy so that we create a greater range of high quality day opportunities for individuals in their communities-**

A full and open consultation process was undertaken with stakeholders on the Day Opportunity Strategy. There was a high level of engagement with service users, families and providers with advocacy in support where it was needed.

The results of the engagement were fed into the Day Opportunities Options Appraisal in December 2019 and a consultation programme was agreed by the Executive for 2020-21.

**3) Social Services Joint COVID Update:**

The worldwide COVID-19 pandemic has affected the way we work since late February 2020, with Corporate and Business Continuity Management plans implemented following national guidance and due to impact of COVID-19 mid March 2020:

- State of emergency powers and budgets deployed
- Emergency Management Response Team continuing, whilst managing business as usual, and preparing for both the unlocking and recovery phases
- Daily and weekly Situation Reports prepared summarizing key decisions, issues and risks
- Daily communication internally with Members and staff and externally via the Council website and social media

- Formal COVID-19 risk register reviewed and updated weekly

Deployment of emergency delegated powers enabling the Council to make essential decisions. This resulted in the majority of the Council Staff working from home where possible, the closure of our Council building for visitors, closure of our learning disability day centres, lockdown of our Residential Care and Nursing homes to non-essential visitors and a reduction in our services.

During the lockdown period we have:

- Continued to meet all our statutory duties
- Worked closely with Welsh Government, Care Inspectorate Wales, Association of Directors of Social Services (ADSS), BCUHB, Providers and colleagues within North Wales Resilience Team, as well as many others.
- Set up a Covid-19 PPE store to manage the Welsh Government PPE deliveries, managed within Social Services resources.
- Set up the COVID testing referral process and managed this 7 days per week by Council staff.
- Developed and deployed innovative working practices to adapt to the pandemic period to facilitate contact, assessments, reviews, ensuring that our safeguarding duties are carried out.
- Continued to complying with Court proceedings and Care Planning.
- Continued to recruit Local Authority Foster Carers.

#### 4) Care Inspectorate Wales (CIW) Local Authority Performance Review



CIW - Annual Letter  
- Anglesey - 2019-20

A copy of the Annual Letter is attached above for your perusal.

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

Not applicable.

**C – Why is this a decision for the Executive?**  
 The service needs confirmation by the Executive Committee that it is satisfied with the pace of progress and improvements made to date within both Adult Services and Children & 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.

<b>DD – Who did you consult?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Senior Leadership Team (SLT)</b> (mandatory)	
2	<b>Finance / Section 151</b> (mandatory)	As above.
3	<b>Legal / Monitoring Officer</b> (mandatory)	As above.
4	<b>Human Resources (HR)</b>	N/A
5	<b>Property</b>	N/A
6	<b>Information Communication Technology (ICT)</b>	N/A
7	<b>Procurement</b>	N/A
8	<b>Scrutiny</b>	
9	<b>Local Members</b>	
10	<b>Any external bodies / other/s</b>	N/A

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

**F - Appendices:**

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



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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	The Executive
<b>Date:</b>	28 <sup>th</sup> September 2020
<b>Subject:</b>	Annual Director's Report on the Effectiveness of Social Services 2019/20
<b>Portfolio Holder(s):</b>	Councillor Llinos Medi
<b>Head of Service:</b>	Fôn Roberts, Interim Director of Social Services & Head of Children and Families Services Iolas Richards, Interim Head of Adult Services
<b>Report Author:</b>	Fon Roberts, Interim Statutory Director of Social Services
Contact Officer: Tel: E-mail:	Emma Edwards 01248 751887 <a href="mailto:Emma.edwards@ynysmon.gov.uk">Emma.edwards@ynysmon.gov.uk</a>
<b>Local Members:</b>	Relevant to all Members

<b>A –Recommendation/s and reason/s</b>
<p><b>Purpose of the report:</b> To receive and make suggestions on the final draft report presented by the Statutory Director. The purpose of the report is to promote awareness and accountability for the performance and progress made over the past year in delivering Social Services within Anglesey County Council, despite COVID-19. The report also outlines the focus for improvement for the forthcoming year.</p> <p>Please note that the final report, once agreed, will be published on the Council's website.. The template for which is currently being designed by our Graphic Designer and Digital Marketing Officer.</p> <p><b>Timetable</b> The report was presented to the Corporate Scrutiny Committee on the 22nd September 2020 and the final report is being shared with the Executive Committee on the 28th September 2020, and then to the Full Council on a TBA date in October 2020. Dates have been extended in 2020 due to the COVID-19 pandemic. Furthermore, the final report will be published on the Council's website.</p> <p><b><u>Recommendations</u></b></p> <p>1.1. Members are invited to comment on the content of the draft Isle of Anglesey County Councils' Annual Director's Report on the Effectiveness of Social Services 2019/20.</p>

- 1.2. It is recommended that members consider:
- a) whether the report has captured the Council’s current position with regards to delivering its Social Services;
  - b) whether the reports accurately reflects its improvement priorities for both Adults and Children and Families Services for the forthcoming year;
  - c) whether the report reflects the Council’s accountability and responsibility with regard to its Social Services.

**B – What other options did you consider and why did you reject them and/or opt for this option?**  
 Not applicable.

**C – Why is this a decision for the Executive?**  
 The Executive’s approval is needed to confirm that the report is an accurate reflection of the effectiveness of Social Services during 2019/20.

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

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

<b>DD – Who did you consult?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Senior Leadership Team (SLT)</b> (mandatory)	This was approved by the SLT on the 7 <sup>th</sup> July 2020.
2	<b>Finance / Section 151</b> (mandatory)	As above.
3	<b>Legal / Monitoring Officer</b> (mandatory)	N/A
4	<b>Human Resources (HR)</b>	N/A
5	<b>Property</b>	N/A
6	<b>Information Communication Technology (ICT)</b>	N/A
7	<b>Procurement</b>	N/A
8	<b>Scrutiny</b>	The Report was considered by Members of the Corporate Scrutiny Committee on 22 <sup>nd</sup> September 2020.



<b>9</b>	<b>Local Members</b>	N/A
<b>10</b>	<b>Any external bodies / other/s</b>	N/A

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

<b>F - Appendices:</b>	
Appendix A – Annual Director’s Report on the Effectiveness of Social Services 2019/20	
<b>FF - Background papers (please contact the author of the Report for any further information):</b>	

**Annual Directors Report on the effectiveness of Social Services 2019-20**

## Content

- Director's Introduction & Summary of Performance
- COVID-19 Update
- How are People Shaping our Services?
- Quality Standard 1 - Working with people to define and co-produce personal well-being outcomes that people wish to achieve
- Quality Standard 2 - Working with people and partners to protect and promote people's physical and mental health and emotional well-being
- Quality Standard 3 - Protecting and safeguarding people from abuse, neglect or harm
- Quality Standard 4 - Encouraging and supporting people to learn, develop and participate in society
- Quality Standard 5 - Supporting people to develop safely and to maintain healthy domestic, family and personal relationships
- Quality Standard 6 - Working with and supporting people to achieve greater economic well-being, have a social life and live in suitable accommodation that meets their needs.
  
- Our Workforce, and how we Support their Professional Roles
  
- Our Financial Resources and How We Plan For the Future
  
- Our Partnership Working, Political and Corporate Leadership, Governance and Accountability

This document provides a summary of our annual self-assessment. We believe it outlines some of our key achievements in the past year, as well as highlighting the challenges that need to be addressed in the coming year.

We welcome any comment on the format and content of this report in order to assist our improvement journey.

<b>About our Social Services 2019-20</b>		
Total Social Services Budget is <b>£37,599,160</b>	Adult Services Budget is <b>£26,449,150</b>	Children & Families Service Budget is <b>£11,150,010</b>
Total amount of Grant Funding <b>£2,979,587</b>	We employ 592 people	476 (83%) of our employees speak Welsh (L3 or above)
<b>Who we Helped &amp; Support</b>		
<b>4,486</b> contact with Adults		<b>3,956</b> contact with Children & their families
<b>2,245</b> of adults receiving information, advice & assistance	<b>1,752</b> of adults receiving a Care & Support Plan	<b>188</b> of children receiving a Care & Support Plan
194 individual Looked After Children	199 individual Children on the Child Protection Register (72 average no of children on register throughout the year)	550 Carers Assessed during the year
52 Foster Carers	245 WCCIS Users	116 of Young Carers supported by Action for Children

## **Director's Introduction & Summary of Performance**

I am pleased to present my first Annual Report in my role as Interim Director of Social Services for Anglesey County Council. During the year we have seen a significant change in the Council's Senior Leadership team, following the retirement of our Chief Executive Dr Gwynne Jones, whose dedication and support for assisting in improving our social services is widely recognised.

I would like to formally introduce Mrs Annwen Morgan as the Council's new Chief Executive, and Dylan Williams as Deputy Chief Executive. Further information regarding the revised structure can be found under our update "Our Partnership Working, Political and Corporate Leadership, Governance and Accountability"

I would like to extend my thanks to Alwyn Rhys Jones, who led the work mentioned in this report as the Statutory Director for the Isle of Anglesey County Council. Alwyn was recently appointed to the Statutory Directors role in Wrexham and we wish him all the best in his new role.

We have embarked on journey to engage with stakeholders to adopt a radical new Learning Disabilities Day Opportunities Strategy. This involves consulting on an exciting new approach to the way we currently provide our services, and we are excited about sharing our vision regarding modernising this essential provision.

In partnership with our health and third sector partners we have made progress in establishing Community Recourse Teams (CRTs) within three areas of Anglesey. Whilst the project has not yet fully delivered due to challenges in securing appropriate premises and technical and logistical issues, we are committed to ensuring that this work progresses over the coming financial year.

As we strive to deliver good quality social care to the residents of Anglesey, it remains a challenge with continued increased financial budget pressures and an ageing population. However with the continued hard work and dedication of our workforce, clear business planning and inventive and resourceful projects, I am confident we can provide the best services possible.

Fôn Roberts,  
Interim Director of Social Services & Head of Children & Families Services

## Coronavirus -19 pandemic (COVID-19)

The worldwide COVID-19 pandemic has affected the way we work since late February 2020, with Corporate and Business Continuity Management plans implemented following national guidance and due to impact of COVID-19 mid March 2020:

- State of emergency powers and budgets deployed
- Emergency Management Response Team continuing, whilst managing business as usual, and preparing for both the unlocking and recovery phases
- Daily and weekly Situation Reports prepared summarizing key decisions, issues and risks
- Daily communication internally with Members and staff and externally via the Council website and social media
- Formal COVID-19 risk register reviewed and updated weekly

Deployment of emergency delegated powers enabling the Council to make essential decisions. This resulted in the majority of the Council Staff working from home where possible, the closure of our Council building for visitors, closure of our learning disability day centres, lockdown of our Residential Care and Nursing homes to non-essential visitors and a reduction in our services.

During the lockdown period we have:

- Continued to meet all our statutory duties
- Worked closely with Welsh Government, Care Inspectorate Wales, Association of Directors of Social Services (ADSS), BCUHB, Providers and colleagues within North Wales Resilience Team, as well as many others.
- Set up a Covid-19 PPE store to manage the Welsh Government PPE deliveries, managed within Social Services resources.
- Set up the COVID testing referral process and managed this 7 days per week by Council staff.
- Developed and deployed innovative working practices to adapt to the pandemic period to facilitate contact, assessments, reviews, ensuring that our safeguarding duties are carried out.
- Continued to complying with Court proceedings and Care Planning.
- Continued to recruit Local Authority Foster Carers.

## How are People Shaping our Services?

The Wellbeing agenda is the focus of all our work – putting the individual central to everything we do working with families, communities and other professionals to ensure improved outcomes for all.

In this document we will report against the four principles of the Social Services and Wellbeing Act (SSWBA) - wellbeing, people (voice and control), partnership, and integration and prevention.

Despite the ever increasing financial challenges faced we have continued to make progress in 2019-20 in many areas.

Our key priority for Adults is to promote independence and prevent escalating need. For Children & Families Services it is to ensure our looked after children are given the best possible support and opportunities.

“Anglesey Adult Services firmly has prevention on their agenda. There are many positive examples of practitioners providing and arranging care and support for people in their communities to prevent them from reaching crisis.” **Care Inspector Wales**

We continue to be in regular contact with Care Inspectorate Wales ( CIW) throughout the year in order to ensure that our regulators are assured with our continues improvement journey. Our Annual meeting allows the opportunity to discuss our plans and offer evidence of performance milestones. Working with CIW over the past 6 months has allowed us to register our new children’s homes on Anglesey quickly and efficiently, despite COVID-19 challenges.

Social Services created an Action Plan in response to Welsh Government’s **More Than Just Words: Follow-on Strategic Framework 2019-2020**. The Local Authority has undertaken work in relation to the recruitment of bilingual staff, raising awareness of the need to make the Active Offer through the medium of Welsh via staff conferences and staff induction sessions, supporting staff to develop their Welsh language skills and improving how Social Services records the Active Offer. Good practice is shared through the North Wales More than Just Word Forum.

**During the year our Children and Families services have been taking part in a pilot –“Practice project” with Bangor University which provides a methodology to change the linguistic behaviour of staff by tailoring interventions and support in a non-complex and cost effective way. The ultimate aim will be to create a toolkit to increase the use of Welsh for organisations in Wales.**



Case Study:

6



We are proud of Sian Morgan, Support Worker in the Resilient Families Team who was honoured at the National Eisteddfod for the use of Welsh in the workplace. Sian who has worked with the Children and Families Services for nearly 15 years and is highly regarded by her colleagues and peers. Sian proudly accepted the 'Caring in Welsh' award at the National Eisteddfod in Llanrwst on the 7<sup>th</sup> August 2019.

The ceremony was attended by the First Minister, Mark Drakeford, and Welsh Language Commissioner, Aled Roberts. Sian was one of six finalists for the award, and was chosen as the winner by a public vote - in which more than 850 people had their say.

The award aims to recognise and celebrate care workers in social care, early years and childhood who provide excellent care through the medium of Welsh. Sian delivers care and support through the medium of Welsh to ensure that the people she cares for feel comfortable, listened to, and are able to communicate in their native language.

Sian was nominated for the award by her manager, Dawn Hutchinson, who said, "*Sian has made a great difference to the lives of people she supports on Anglesey. By communicating with people in their first language, and using the local dialect, Sian has helped families feel understood and feel less isolated.*"

Council Leader and Social Services portfolio holder, Councillor Llinos Medi, said, "*We are extremely proud of Sian and her commitment to delivering such a high level of care. The delivery of public services through the medium of Welsh is essential and, on Anglesey, we take great pride in seeing our language having such a positive impact on the lives of local residents.*"

She added, "Sian has shown that speaking Welsh, in her role as a social worker, can make a real difference to the lives of the children and young families who receive her care and support."

Social Services logged 199 **positive comments** received about its services in 2019/20. The Service also logged 65 **negative comments / concerns**, 37 Stage 1 **complaints** and 7 Stage 2 complaints. Consideration is given to any actions needed



to implement the learning from complaints, and feedback received about services is regularly reported on and discussed in Social Services management meetings.

**The Integrated Care Fund (ICF)** aims to drive and enable integrated and collaborative working between social services, health, housing, and third and independent sectors. It is intended to help the Regional Partnership Boards develop and test new approaches and service delivery models that will support the underpinning principles of integration and prevention. Priority areas of integration and all regional ICF programmes must address them proportionately, in line with their regional population assessments and area plans are Older people with complex needs and long term conditions, including dementia; People with learning disabilities; Children with complex needs; and Carers, including young carers.

Throughout this report you will notice reference to the different projects and pilots that Anglesey are working on for these priority groups, with the aim to find new integrated service delivery models and approaches that will:

- enable older people to maintain their independence and remain at home, avoiding unnecessary hospital admissions and delayed discharges;
- enable families to meet their children's needs and help them to stay together;
- support carers in their caring role and enable them to maintain their own wellbeing;
- support the development of integrated care and support services for individuals with complex needs including people with learning disabilities, children with complex needs and autism;
- offer early support and prevent the escalation of needs; and
- promote emotional health and wellbeing as well as prevent poor mental health.

### **The Children (Abolition of Defence of Reasonable Punishment) (Wales) Bill Preparation**

The purpose of the Bill is to abolish the common law defence of reasonable punishment so it is no longer available in Wales to parents or those acting in loco parentis as a defence to assault or battery against a child.

The defence currently applies in respect of both the criminal and civil law. Under the criminal law, it applies in respect of the common law offences of assault and battery; and under civil law, in respect of the tort of trespass against the person.

The Bill is intended to support children's rights by prohibiting the use of physical punishment, through removal of this defence. The intended effect of the Bill, together with an awareness-raising campaign and support for parents, is to bring about a further reduction in the use and tolerance of the physical punishment of children in Wales.

It is likely that the Bill will become operational in 2022. Below is a link to the Welsh Government short introduction to the bill: <https://youtu.be/iK4O-Cd6Q8I>

Our 2018/19 Report we reported the successful tendering of our new model of Domiciliary Care and support across the Island. During 2019/20 we are excited to that on 8<sup>th</sup> November 2019 the **Domiciliary Care transformation team project won the Putting People First / Personalisation Award at the Welsh heat of the Great British Care Awards 2019.**

#### **Case Study:**

The Great British Care Awards are a series of regional events throughout the UK and are a celebration of excellence across the care sector. The purpose of the awards are to pay tribute to those individuals or teams who have demonstrated outstanding excellence within their field of work.

The remodelling of the Domiciliary Care service saw the introduction of a contract which improves services delivery, quality and choice for individuals who require support by having a single provider in each patch of the Island (3 patches in total). This transformation has ensured people who require help at home, or following a hospital stay receive that care quickly regardless of where they live in Anglesey and allows individuals to stay as independent as possible within their own homes.

## **Quality Standard 1**

### **Working with people to define and co-produce personal well-being outcomes that people wish to achieve**

#### ***Adults***

**Community Resource Team (CRTs)** – All three of our designated CRT co-located sites have been updated with compatible ICT infrastructure to enable integrated working across health and social care practitioners.

It is anticipated that the CRT's will become operational at the end of April 2020 with all multi-disciplinary staff co-located on site. Third sector and domiciliary care provider representation is integral within the CRT's aiming to streamline access to local provision.

Funding from the Parliamentary review has enabled the development of a transformation team to drive forward this transformation agenda across the area with three transformation officers designated for Ynys Môn.

A series of team building 'Basis' training has been conducted for all staff across the health community facilitated by the Transformation leads for Ynys Môn aiming to understand and address any localised issues during the transition period. A communication strategy is being developed to ensure public awareness of the integration agenda and to raise awareness of localised access in the three designated areas.

#### **Community Resource Teams – Health Board & Anglesey County Council**

The priority area for integration will be met through the development of CRT accommodation in 3 strategic locations on Ynys Môn. Community Resource Teams (CRT) are fully operational integrated health and social service teams that will provide a seamless co-ordination of health and social care, ensuring advice and intervention at the right time and right place from the right professional to help support individuals to live their life as they want to live it. CRT's will operate under an integrated working model that involves close working relationships between primary and community care and strong links with secondary care. Older Persons Mental Health (OPMH) will also be part of the core team. The third sector and in particular the specific roles of Local Asset Co-ordination, will provide a robust social prescribing service and stronger links within our communities, whilst adopting an asset based approach to community development and supporting individuals, to co-produce community solutions to issues affecting their lives.

ICF capital is required to adapt/extend existing Health Board / LA accommodation in 3 strategic locations across Ynys Môn to provide suitable integrated working space for CRT staff.



On the 1<sup>st</sup> January 2020, Welsh Government published its revised Part 10 Code of Practice (Advocacy). A copy can be found <https://gov.wales/advocacy-services-code-practice>. Local Authorities are responsible to ensure the new code of Practice is imbedded into daily practice, and we are working on ensuring this happens within Anglesey.

The revised Code of Practice outlines a number of benefits - Advocacy should be considered as an inherent element of the (Social Care and Wellbeing (Wales)) Act 2014 to focus social care around people and their well-being. Advocacy helps people to understand how they can be involved, how they can contribute and take part and whenever possible, to lead or direct the process.

Through advocacy, people are active partners in the key care and support processes that identify and secure solutions through preventative services; information, advice and assistance; assessment; care and support and support planning; review and safeguarding.

During the year we have carried out a review of the assessment documentation, to ensure that the need for Advocacy is clearly noted and recorded at all stages of interventions. Social care staff have received refresher training to ensure compliance with service standards and to raise awareness of when independent Advocacy provision should be utilised. The service intends to invite North Wales Advocacy service to team meetings to share the nature of work engaged, to share learning experiences and reinforce referral pathways.

**Case Study:**



I-r Anglesey Council Leader, Cllr Llinos Medi; Anglesey's Head of Adult Services, Alwyn Rhys Jones; Health and Social Services Minister, Vaughan Gething; Pobl Seiriol Alliance Chair, Dr Steve MacVicar; Canolfan Beaumaris Chair, Alwyn Rowlands; and Anglesey Council Chief Executive, Dr Gwynne Jones.

Welsh Government Health and Social Services Minister, Vaughan Gething, visited Anglesey on 6<sup>th</sup> June 2019, and learned how the **Pobl Seiriol Alliance** is involving residents in decision making and helping to plan for the future.

Mr Gething visited Beaumaris where representatives from Pobl Seiriol Alliance, Canolfan Beaumaris and Isle of Anglesey County Council signed a new Memorandum of Understanding - a first for the Island - to aid further and sustainable collaboration.

The document will guide the Pobl Seiriol Alliance as it explores ways in which the community can take on more local responsibilities and commission its own services. It also sets out the key objectives and principles of collaboration; as well as governance structures and respective roles and responsibilities.

Supported by Medrwn Môn and Anglesey Council, the Pobl Seiriol Alliance is chaired by retired local GP, Dr Steve MacVicar.

Dr MacVicar said, "*This is an important day for the Seiriol ward and all its residents. The memorandum of understanding will play an important role in terms of continued*

*collaboration between partners as we look to play our part in improving the health, well-being and future prosperity of the local area."*

He added, *"I'm grateful to Medrwn Môn and the County Council for their support in developing this ground-breaking partnership; and to the Health and Social Services Minister, Vaughan Gething, for joining us here today."*

The **Seiriol Building Communities** project was first established three years ago and engaged with the local community, town and community councils and its local county councillors.

This project is supported by **Medrwn Môn**, which works with local voluntary and community groups, and Anglesey Council. The Pobl Seiriol Alliance has already explored ways of developing social care provision and could now work to develop other priority areas, such as affordable housing, job creation and transport.

Anglesey Council Leader and Social Services portfolio holder, Councillor Llinos Medi, added, *"The signing of the Memorandum of Understanding underlines the commitment of all partners to continue working together. It also reflects the County Council's aim of meeting the guiding principles of both the Social Services and Well-being (Wales) Act and Future Generations Act 2015."*

**Learning Disabilities Day Opportunities Strategy-** Engagement on the strategy was held during May and June 2019, and we engaged extensively with those people directly involved in the current day service provision. Examples of the activities undertaken include:

- Copies of the strategy with feedback questionnaires sent to all current users of day services and their families (including easy read versions of all documents) (Ref appendices 1,)
- Four separate Focus Group meetings for service users facilitated by Advocacy Services independent of the Council
- One to one meetings held with all providers after which each provider shared information with their staff, who were also invited to comment on the strategy

What respondents told us about the strategy:

- 96% of respondents agreed that the strategy looked at the right areas and covered what is important to people with a learning disability and their families.
- Most people said that they would like more opportunities to be with their friends making a difference in their local community.

### **Children & Families**

We have established a project with **Voices From Care** regarding establishing a participation group for looked after children and young people on Anglesey. The project has 3 elements:

- Developing a Participation group,
- Young Peron led local campaign,
- Corporate Parenting support.

**Voices From Care Cymru** is an All Wales voluntary agency who works with looked after children on promoting their rights and improving services provided for them. We have agreed to establish a targeted approach in establishing monthly participation group for looked after children and young people aged between 14-22 years. The purpose of the participation group is support Anglesey Council in the development of their Children Looked After and Care Leavers' Strategy and provide a platform that supports relationship building between looked after children, young people and their corporate parents in Ynys Môn. The group will develop their own identity and coproduce a range of promotional and marketing material and will develop a series of resources and local campaigns, unique to Ynys Môn.

As an organization, Voices From Care Cymru have appointed a project worker who will be based with our Children and Families Services staff , and will offer advice and support as a 'critical friend' on participation and corporate parenting. This project is a direct result of joint funding provided from services within the Local Authority – Children & Families, Housing and Education Services– with the aim of listening to the voices of looked after children which will shape services that will strengthen our corporate parenting responsibilities towards them.

#### **Early help Hub:**

Our Early Health Hub has been formed in reaction to the work completed within the "Early Action Together programme" on the multi-agency response to adverse childhood experiences and other legislative and regulatory requirements that aims to provide better quality, cost effective services that secure good outcomes for all in Anglesey. Primarily, these concern:

- Requirements of the Social Services and Wellbeing Act (2014) to ensure families have access to relevant information, advice and support as much as possible within their communities to build wellbeing and resilience.
- Anglesey County Council ongoing response to four of 12 recommendations of the Care and Social Services Inspectorate Wales (CSSIW) Inspection of Children's Services (2015). These relate to making available more integrated, early intervention for children and families through closer partnership work and better information-sharing.
- From 2014/15 onwards, *Police and Crime Plans* have set clear objectives about reducing repeat offences, including specifically for domestic violence. Moreover, Police and Crime Plans recognise that to reduce domestic violence and child sexual exploitation for example, these *'touch and concern the responsibilities of other agencies involved with public safety and health, and an effective response can only be delivered in partnership with the other agencies.*

*As the focus on these crimes continues to sharpen, the importance of partnership working will also continue to grow'.*

- A fresh spotlight on how the cycle of childhood adversity can lock successive generations of families into poor health, poor life chance outcomes and anti-social behavior (all at high cost- to public services) through the growing recognition of the Adverse Childhood Experiences (ACEs) study conducted by Public Health Wales (2015). The focus on preventing and mitigating the impacts of ACEs in future generations was also given extra impetus by new statutory duties arising from the Well-being of Future Generations Act 2015.

**Priorities 2020-21:**

- Deliver on our integration agenda with health and Third sector partners and relocate multi-disciplinary staff to three designated sites on the island.
- Complete the re-tendering and implementation of the new Supported Living Service
- Consult, adopt and implement our new Learning Disabilities Day Opportunities Strategy.
- Agree a Pooled budget with BCUHB for Learning Disability services.
- Continue the Service Development Plan improvements

<b>QS1 - What difference did we make?</b>
63.08% of people were living independently at home following reablement
55 People were delayed in hospital waiting for Social Care
89.62% of Children’s assessments are completed within 42 days
98.88% of our Children Services Managers Decision completed within 24 hours
<b>What our People say?</b>
“Both my husband and myself are extremely appreciative of the help and support given to us by our Care Provider, when I was rushed to hospital recently. The attending carers gave extra time to my husband and they all made sure he was well cared for in my absence. They are exceptional people.”



“Very positive conference today and thank you for co-working so well with me... it’s so much better for families when the LA Social Worker is as pro-active and approachable as you are.”

“We would like to thank you so much as a family. You have been amazing support to us all as a family and mostly to [child]. You have made such a difference in our lives and you have always been there. Without you [child] wouldn’t have had a voice when he needed help. You have never let him down. I will always be very grateful to you. You are such an amazing person and we have been very lucky to have had all of your support and help. I will always remember what you have done. The world is so much better with people like you in it.”

## **Quality Standard 2**

## Working with people and partners to protect and promote people's physical and mental health and emotional wellbeing

### Adults



The Social Prescribing model on Anglesey incorporates the **Môn Community Link** service and **Local Asset Co-ordination model**. The services are delivered within Medrwn Môn as the overarching voluntary body, Community Link is a Third Sector Single Point of Access which provides access to information, advice and support tailored to an individual's low-level needs relating to health, social care and wellbeing services based within their own community. Môn Community Link will assist in maintaining and promoting people's independence and wellbeing through enabling the individual to make informed choices from the information offered, or through a referral to a Local Asset Co-ordinator.

Local Asset Co-ordinator project is a community-based approach encouraging adults and their families to take the lead in developing their own support systems whilst focusing on their strengths and abilities. It is essentially a preventative model, but is now proving beneficial also to those who may already be in receipt of statutory services. Local Asset Coordinators work with individuals and groups to develop and use local networks to promote local solutions to local needs.

### Linc a LAC

Increasing social value, promoting independence and co-production is at the heart of our preventative strategy for older people. Môn Community Linc provides Information, Advice and Assistance to our residents. During the first 6 months of this year Linc Môn has received 647 enquiries whereby individuals were provided with Information/Advice by signposting to community opportunities/services and/or referred to the Local Asset Co-ordinator service for Assistance. 273 referred to the LAC service during the 9 months

Quotes:

*"I now attend groups once again, I put make up on and feel like me."*

*"I get to see B again, we have been friends for over 35 years, I only spoke to her on the phone, but now I see her every Tuesday in the coffee morning."*

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**“Mr C said “Without the support of the Linc project, I would never have joined a community group. It has been a life saver as I now have people to talk to, who have been in the same situation as me caring for a loved one”**

**The Place Shaping Programme on Anglesey** is a partnership between Anglesey County Council, Medrwn Môn and Menter Môn to deliver on the corporate vision to ***‘develop and strengthen our engagement with and involvement of Anglesey citizen’s in the Council’s decision making and accountability processes’***.

The Programme seeks to work at ward level across the Island with Town and Community Councils to create comprehensive asset maps of their areas. These maps identify 3 levels of assets, gaps and priorities within each ward, across public, private and voluntary sectors.

This is done through using the Building Communities Model created by Medrwn Môn, and endorsed by the Joint Engagement & Consultation Board, to ensure that as many people in our communities take part in developing and designing future proof services that address identified needs.

All the while this is informed by the Work Programme and Consultation Calendar of the County Council so as to avoid duplication and to ensure that conversations are informed by local and National Policies.

The Place Shaping Programme began in 2018 with the mapping of assets within 5 Electoral Wards.

- Twrcelyn
- Llifon
- Aethwy
- Bro Rhosyr
- Canolbarth Môn

Three meetings take place in each of the wards and representatives from each of the Town and Community Councils, interested residents, local groups etc are invited to learn more about the Programme and to develop the skills to use the mapping tools themselves. This ensures that there is local ownership and participation.

Once the mapping has been completed, Alliance type structures are set up, three key priorities are agreed and an action plan is created to develop alternative and creative solutions to the address the priorities and gaps that they have identified. This work is facilitated by Medrwn Môn and Anglesey Council is committed to ensuring that officers and departments within the Council contribute to discussions and support as part of this process. This is a process that has worked effectively in the South of the Island, where the Seiriol Alliance is now commissioning it’s own community based services in partnership with Anglesey Council.

Assets	Assets could be anything that the residents value and use in a given geographical community from buildings & green spaces, to skills and knowledge of residents, to particular services (libraries, transport etc)	Conversations can look at how assets are used, by who, when etc. Alternatively they can be discussed in terms of how they could potentially be used more effectively within a community.
Gaps and Service Areas	Conversations identify how working in partnership community groups, third sector, public or private sectors can address gaps in services and activities. The term 'service areas' is used to describe the links between one or more services that are needed to work together i.e. third sector, social services and health to ensure activities in Community Hubs help to reduce impact on front line health services through support community activity, redirecting community service such as community pharmacists etc	Where conversations identified good practice in joint working already happening in their communities we explored how this could be shared and replicated. Where gaps were identified we asked communities to offer potential solutions for addressing those gaps.
Priorities or solutions	Conversations always looked at how priorities and solutions can be explored on a whole community approach- encouraging communities to look at how services and community activities are linked and to encourage joint working as opposed to quick, individual fixes i.e. sharing community buildings, spaces and resources to avoid duplication, competition for funding	Evidence looks to identify similarities across the 8 areas in order to provide public, private and third sector services with both an overall view of gaps and priorities as well as area specific information. (see excel sheets)

**Work to date:**

- **Twrcelyn-** asset mapping complete, Alliance set up and three priorities identified. 2 Alliance meetings held and now looking to use the seed funding available
- **Aethwy-** Menai Bridge mapping complete, Penmynydd and Llanfair PG mapping to be completed in January. Two big projects already identified and being facilitated by Medrwn Môn (capital funding applications for Memorial Hall Llanfair PG and Hen Ysgol, Penmynydd)
- **Canolbarth-** Llangefni Mapping complete, outlying areas to be completed Jan/Mid-Feb)
- **Bro Rhosyr and Llifon-** intensive mapping to begin in February, initial Community Councils and small mapping events have been carried out. Llais Ni youth engagement work and priorities have been completed (task and finish) with Llanfaelog Youth Club.
- 2 Community Officers in post since beginning of January- 18.5 hours a week, working with staff in Medrwn to make links in the community (including 6 Local Asset Co-ordinators), carry out the mapping and facilitate meetings with Community Councils.
- Secured mobile exhibition unit to use to engage with people in the more rural areas where there is no community asset.

Second round of 5 wards to begin in April 2020.

The West LIT (Local Implementation Team) in delivering the **Together for Mental Health in North Wales Strategy** has prioritised a preventive approach based on the I-can methodology. This promotes the use of volunteers who, following a rigorous recruitment, selection and training programme, provide support to individuals experiencing mental distress. Support is provided as follows:

- **I-can Unscheduled care** – working in partnership with the emergency department at Ysbyty Gwynedd support is provided to individuals between 6pm and 1am daily in a dedicated facility. This can include people who are waiting for assessment by the psychiatric liaison team, people who are awaiting assessment for medical needs and people who are experiencing mental distress and need immediate support.
- **I-can Community hub** – in partnership with CAB Ynys Môn volunteers are present at centres in Holyhead, Llangefni and Amlwch to offer support to individuals who present with a range of social and emotional issues.
- **I-can primary care** – volunteers will be available in GP surgeries to provide support to people presenting with mental distress.

The focus of the I-can project work is ensure that people are provided with timely and appropriate support, information, advice and assistance in order to prevent an escalation in mental distress and the requirement for more intensive statutory support.

**Health checks for people with Learning disabilities** – this is a work stream identified in the North Wales Learning Disability strategy and Ynys Môn has been leading on strengthening partnership working with GP practices in order to ensure that people are supported to have an annual health check. People with learning disabilities are recognised as having more complex health issues than the general population and also being less likely to participate in routine health screening.

We are working with colleagues from BCUHB to develop a **Community Garden at Cefni Hospital**. With the support of ICF funding the central courtyard in Ysbyty Cefni is to be remodelled to make it **dementia friendly** and accessible. It is currently unusable for the patient group, due to flooring and design. This would enable the ward to allow unrestricted access to safe outdoor space. A path from the ward will be of an 'infinity' design which promotes meaningful walking rather than pacing up and down. Raised planting beds to be installed to enable patients to participate in gardening. Seating installed to provide quiet space for patients and relatives.

**Case study:**



Staff and service users of Gors Felen Resource Centre organised a fundraising event to raise funds towards social groups on the island that support people who have been affected by Alzheimer's and Dementia.

The centre, which offers day opportunities for adults with learning disabilities, organised a day where staff and service users could wear their pyjamas and raise money in aid of two local social groups that support people with Alzheimer's or Dementia.

**Carers Trust North Wales (Crossroads Care Services)** were one of the groups to receive funding, they offer both respite services to unpaid carers across the Island and drop in groups for people with memory problems and their carers. **Memory Lane Club** (based in Newborough) was the second group, a support group set up by volunteers that meet every month to provide activities and friendship for those affected by Alzheimer's/Dementia or those who have feelings of loneliness and isolation across the island.

Annwen Owen, Manager of Gors Felen Resource Centre, said, *"We organised the pyjama day at the centre in order to raise funds and awareness for Alzheimer's and Dementia."*

*"It was great to see so many of our service users and staff turn out in their favourite nightwear to support such an important cause. The day was a great success and we raised a total of £630. Both groups play a vital role in the local community, offering support to those suffering from Alzheimer's or Dementia and their friends and families."*

**“Partnerships, integration and co-production – we found operational services mostly working well together to support people to remain at home for as long as possible. Communication is good between practitioners and services are creatively mixed and matched to meet people's needs.”**  
**Care Inspectorate Wales**

### ***Children & Families***

Our Children and Families service in conjunction with Medrwn Môn have developed two new **Family and Community Co-ordinator** posts. This is an exciting new development which aims to build individual, family and community resilience through the effective social navigation into services within communities that could prevent children and their families from having the need to access main stream statutory services, similar to our LAC Officers within our Adults Services, mentioned above.

With the creation of the posts we aim to enhance the participation of children and families who may benefit from early intervention in the community life by developing and co-ordinating support and information systems built upon the Community Hub model.

The coordinators will seek to develop opportunities and networks for children and families to fulfil their potential and reduce the likelihood of them suffering or mitigate any adverse childhood experiences that they may have suffered in the past. This will be done by the creating the opportunity for them to work to produce their own solutions through connecting with services and others in their communities and encouraging new ways of working with the third and statutory sectors.

#### **Community Development & Capacity Building**

- To build on recent asset mapping exercise and gain a clear understanding of local resources, gaps and opportunities
- Develop identified community strengths and sustain and develop further citizenship contributions and involvement to create inclusive services
- Utilise new approaches to target unmet needs and those currently disengaged from their communities
- To enable effective collaboration between the community, statutory and voluntary sectors through asset based development and embed cross-sector working practices
- To promote and facilitate a different culture and practice about how decisions about future services are made- ensuring that the local community is involved in the

planning and organising of services that provide improved social value, are accountable to local users and whose outcomes are community driven

### Coordination

- To develop and establish new models of working to reflect the new requirements of the Social Services and Wellbeing Act and Future Generations Act.
- To develop and establish the theory and practical approach to co-production into the Building Communities model and create more inclusive and supportive communities through developing partnerships between communities and organisations in the Statutory and Voluntary sector
- To contribute to strategic developments as required by the SSWB Act mainly the prevention programme for children and families. Establish community based support systems for those specific target area within the Programme
- To build and maintain effective working relationships with children, young people, their families and their communities
- To introduce and establish alternative preventative intervention models that encourage and engage individuals in building stronger and more resilient networks which support those who are vulnerable to adverse childhood experiences.
- To support access to accurate, timely and relevant information and assist individuals and their families to access information through a variety of means and promote self-advocacy
- To promote asset based approaches to encourage children, young people and their families to utilise their personal and local networks to develop practical solutions to meet their needs and desired outcomes
- To build effective partnerships and working relationships with community and statutory services including GP's, Police, community organisations, health, adult social care and children and family services.
- To organise and maintain administrative records/data sharing within the organisation protocols (WCCIS).
- Signpost individuals and families to relevant support processes
- To attend and participate in the "early help hub" meeting on a weekly basis.

Commented [EJE1]:





### **"One Front Door" Pilot Project**

Analysis of our figures has identified that domestic abuse is a feature in 73% of referrals received into the Children and Families service in Anglesey. This is a high percentage and domestic abuse is the most common feature of the service referrals.

The aim of the project will be to improve the identification of individual family need when domestic abuse referrals are received within the Children and Families service. It is envisaged that we would take a multi-agency view on those references and come to a decision at a "one door front" meeting on the best steps to be taken e.g. who will be best at offering and delivering interventions.

Secondly, the project will look at our response on service delivery along the range of risk (high, medium, low).

Finally we are in the process of broadening the Integrated Family Support Services Team (IFSS) brief to work not only with families where drugs and/or alcohol is a feature, but also to work with children and subsequently victims of domestic abuse and perpetrators of domestic abuse. The three elements i.e. drugs, alcohol and domestic abuse are usually a 'toxic trio' within families. IFSS together with staff within the Department and our partners will receive specialist training from Safe Lives in the coming months.

**The First 1000 Days Programme** aims to build and disseminate the best available evidence for improving outcomes and reducing inequalities in the first 1000 days – during pregnancy and to a child's second birthday. By asking parents what is important to them in the first 1000 days we can obtain valuable information about improvements that can be made to the way that services are being delivered.

While services aim to ensure that parents have access to information and support that is effective and safe, this is only one part of a service user's experience of the care they receive. The way services are accessed, the way that people's support needs are assessed and how referrals between different components of the first 1000 days system are managed all play an important part in service users' overall experience of the care they receive.

Ynys Mon and Gwynedd Local Authorities alongside the BCUHB have decided to create a **Peripatetic multi-disciplinary team** working with young people/ children and their families between the ages of 0-25 on the edge of care, at risk of entering care without intervention and individuals already in care who is would be appropriate to return home. Ynys Mon will lead on this project having secured £3 million grant from Welsh Government.

### **Priorities 2020-21:**

- One Front Door – embed this in order to provide the right support for victims of domestic abuse
- Prevent Agenda – enhance this by continuing to develop Early Help Hub
- Children’s Local Asset Coordinators (LAC)

**QS2 - What difference did we make?**

523 of adults required residential care at some point during the year (compared to 518 in 2018/19 and 573 2017/18).

316 of adults were in residential care on 31st March 2019 (compared to 375 on the 31/03/18, and 366 in 31/03/17).

100% of looked after children have an allocated Social Worker.

**What our People say?**

“Most of the (Domiciliary care) workers are excellent and treat me with respect and dignity. I especially enjoy Iona coming as her cheerful and happy nature brightens my day, particularly when I’m feeling down. When she walks into the room she makes me laugh and raises my spirits.”

“I would like to say thank you for chairing another positive meeting! I really feel that the boys have now got a fantastic team supporting them! long may it continue!”

“The work (the Resilient Families worker is) completing with the family is invaluable in respect of both further assessments and the possibility of rehabilitation of the [child] to the care of his parents. The Guardian said that this family are having every opportunity possible given to them to make changes, and find internal motivators and this is largely thanks to Sian’s work.”

### **Quality Standard 3**

#### **Protecting and safeguarding people from abuse, neglect or harm**

##### **Corporate Safeguarding Arrangements**

"Safeguarding" remains everybody's responsibility within the Council. The Local Authority has:

### **Quality Standard 3**

#### **Protecting and safeguarding people from abuse, neglect or harm**

##### **Corporate Safeguarding Arrangements**

"Safeguarding" remains everybody's responsibility within the Council. The Local Authority has:

##### **Main achievements**

- Relevant Processes, Procedures and Systems in place that reflect current legislation, statutory guidance and expectations and accepted best practice so that officers are clear what must or may be done in specified circumstances and define the limits of professional discretion
- Launched Good Practice Guidance for School Transport Operators aimed at ensuring pupil and driver safety

##### **Adults Services**

###### **Main achievements**

- Launched the interim Safeguarding Policy and Procedure and provided advanced safeguarding training for practitioners and managers
- Launched the Mental Capacity Policy and provided training for practitioners and managers
- Built on the previous achievements of our DoLS Team to manage the increased demand for Deprivation of Liberty Safeguards assessments and improved processes to assess quickly and effectively.
- Closely monitored services we commission in terms of the quality of care they provided through domiciliary care, supported living and long term care homes.
- Evaluations of practice shows that the citizen can be confident that
  - Social workers work closely with other professionals to keep adults at risk safe
  - Social workers will respond in a timely way of there are concerns about their safety.
  - Social workers will try their best to make sure that the citizen is at the centre of their safeguarding experience.

##### **Children Services**

###### **Main achievements**

- Implemented a new approach to child protection - Cryfder ar y Cyd, which aims to work with the family to secure changes to keep a child safe.

- Working hard to make sure that care experienced children are at the heart of their review process.
- Make a difference to families –Children whose names were placed on a child protection register on average spend (242 days) on that register before the risk is reduced and their names are removed from the register. The level of those children whose names are subsequently placed on the register again, within 12 months, is low: suggesting that we are successful in helping families create and maintain changes that reduce risk to their children

**Priorities for 2019/20**

- Work to the new All Wales Safeguarding Procedures
- Continue to put the individual at the heart of what we do
- Preparing for the advent of the Liberty Protection Standards.

<b>QS3 - What difference did we make?</b>
91.30% of Adult Protection enquiries were completed within 7 days
259 DOLS assessments completed during the year
5.69% of children on the Child Protection had a previous registration
224 Days (average) on the Child Protection Register during the year
94.27 % of all Child Protection Reviews were carried out in timescale.
100% of Looked After Children have an allocated Social Worker.
100% of children on the Child Protection Register has an allocated Social Worker.

## **Quality Standard 4**

### **Encouraging and supporting people to learn, develop and participate in society**

#### **Adults**

The **OPUS Project** was a bespoke intervention designed to support individuals that are over 25 years of age, whom are long-term unemployed or economically inactive with multi barriers, to become employed. The project came into being on 1st January 2016 and concluded on the 31st August 2019. The OPUS project was funded by the Welsh European Funding Office (WEFO) which is part of the Welsh Government and manages the delivery of the EU Structural Funds projects in Wales.

During the course of the project participants got the opportunity to attend various accredited training such as Lantra Strimmer & Ride on Mowers, Manual Handling, Food Safety etc. This allowed participants to then be exposed to a wider range of activities in the Day Centres. This will be an ongoing benefit and will allow Social Services clients a more interesting and varied programme. Mentors also developed a yearly football tournament where all of the day centre participants would come together to compete. As well as the accredited training and football OPUS bought cameras, craft equipment and fishing gear so that participant had more opportunities to develop social skills and increase interaction with other people.

Even though the project outcomes were lower than the profiled target, Anglesey performed very well compared with the other North Wales counties. Whilst the project did not achieve high numbers of people into employment it did provide training opportunities and qualifications to those with no or low skills. The soft outcomes such as the development of social skills and interaction, building confidence and reducing social isolation did have an impact on people's lives that weren't really captured because they are not economic outputs.

Supported by the Integrated Care Fund, the aim of the **Community Transport** project, managed by Medrwn Mon is to tackle older people's isolation and improve their social networks holistically by providing access to voluntary befrienders and buddies, community transport services and volunteering opportunities in Anglesey. This will be done through developing a network of new Befriending and Good Turn Scheme services as well building on and supporting existing Good Turn Scheme provisions bringing in the support of partners such as the Community Transport Association.

**Anglesey Direct Payments** - Throughout the year we have continued to offer Direct Payments as the best option for service users and families to take control of their care package, and live the flexible life they want to lead. The Anglesey DP service has

grown considerably over the last financial year from 162 to 210 (106 in 2018/19) which shows an increase of 77.14%.

- Total Direct Payments expenditure - **£1,422,000**
- Service cost through a commissioned service projection - **£2,717,102**
- DP service savings compared to commissioned service - **£629,203**

**Direct Payments Success Stories** – Over the last twelve months the local authority has continued to work with a number of partners:

**Leonard Cheshire Disability (LCD)** - When looking into the practicalities of forming big co-operatives, opening co-operative bank accounts and outlining who would employ the staff that would deliver the support they reached numerous barriers. As a result they reevaluated options and made relevant changes to lower or get rid of the barriers e.g. Personal assistants that work on the project would be on a self-employed basis supported by LCD, and the co-op bank accounts would also be managed by LCD. They have also included the idea of working with local business in the area to create volunteering and work opportunities for service users, which we are very keen on developing here on Anglesey, and hope to progress over the next financial year.

We are currently working with LCD with a view of Anglesey trialling the revised LCD Website Portal. The website portal has been tested and ready to go, LCD have made a few alterations to the project to aid improvement, for example PA's have to be self-employed to take the responsibility off DP clients to employ cooperative staff. Unfortunately COVID-19 has stopped further progress, but go live will happen as soon as it is safe to do so.

**Pooling of Direct Payments:** Four of our Direct Payment service users that have been a part of the LCD project and the Mencap Môn committee, have yet again this year been banking some of their Direct Payment hours and personal resources for respite. They will be using the saved money to take a dream trip to Florida, USA in February 2020, supported by two of their DP personal assistants for a week to visit Universal Studios. These individuals have saved up all their respite entitlement throughout the year to enable them to make their dream a reality. All service users live at home with their family, and the holiday will also enable their family members to receive block respite.



The **Mencap Môn** Hub was established over four years ago by a group of parents that had sons or daughters with a learning disability. The group has over 300

members on the Island. The Hub also gives opportunities for student social workers and nurses to liaise and gain experience of different learning disabilities as well as offering volunteering opportunities.

Mencap Môn Hub in Llangefni has a prime location situated on Llangefni High street which encourages a true community focused environment, allowing the attendees to experience a sense of social inclusion and the opportunity to shape and drive the Hub in a way that they and the trustees desire. Mencap have successfully networked and forged strong links/partnerships with a huge number of local organisations, ensuring that we continue to be at the heart of the community and provide the appropriate services, activities, projects and information to all our members.

An ICF grant will enable Mencap Môn the opportunity to buy the property as a phase one, ensuring that the hub continues to be an essential community resource for the many members who access the building on a weekly basis, and continuing with the direct Payment HUB in North Wales.

We look forward to continuing and strengthening our relationship with Mencap Môn.



We working with **North Wales Advice and Advocacy Association** to provide a Co-operative to provide more community based options to support individuals with their care and support needs. Tackling loneliness and isolation amongst older people. The long term outcome is to provide a range of community based options for care and support. Developing workers and user co-operatives will enable individuals to receive a service which is person centred, experience really choice and utilising their financial benefits either through direct payments or personal assets to their full potential. Users are able to pool their finances to undertake similar opportunities/activities and therefore reduce costs and with close links to the workers co-operatives, users will have access to personal assistants.

The **Trac and Adtrac Schemes** have been supported by the European Social Fund through the Welsh Government and are based with Anglesey Youth Services. Trac supports young people aged 11-16 to overcome barriers to learning and achieving their full potential. Adtrac provides a bespoke mentoring service to help young people aged 16 to 24 years to get into education, training or employment (NEET). Both projects are pan-North Wales projects, supported by the 6 Local Authorities, and both projects provide additional training opportunities, therapeutic or mental health support and mentoring to prepare for or to go into volunteering, tailored work experience or employment. Both projects work with a range of Partnerships, but mainly with Careers

Wales, and AdTrac also works in partnership with Betsi Cadwaladr Health Board, and Grŵp Llandrillo Menai.

At the end of January 2020:-

Of the 584 11-16 year old individuals who either have or are currently being supported by TRAC:

- 112 out of the exited clients were at a reduced risk of becoming NEET. There are currently 298 live learners whose Reduced Risk of Neet is unknown until they complete the programme.
- 50 have attended tailored work experience, with additional visits to schools by employers for pupils not deemed ready for the workplace.
- 36 have moved on to a full time higher level course in college.
- Since 2018 155 refusals of engagement with the project.
- 88 have completed qualifications to level 1 or above in the following areas: Health & Safety in the workplace, First Aid, Climbing, Child-care, Employability skills, Consequential Thinking, Construction Safety Skills, Agored Cymru units in a range of subject areas e.g. healthy lifestyles.
- Non accredited courses include:- Seasons for Growth Bereavement and Loss, FRIENDS (resilience), Cooking, Outdoor activities, John Muir Environmental Award, Gardening.
- 148 have received therapeutic intervention

Of the 164 16-24 year old individuals who have or are currently being supported by ADTRAC:

19 have moved into employment

48 have received further training and/or qualifications

10 have moved onto a full time education course in College or University

12 have spent time volunteering (5) or in work experience (7)

48 have attended the Well-being Hub

Positive outcomes moving them closer to employability that are measured during a participant's journey on ADTRAC...

- 2 achieved a part of a qualification
- 6 achieved unaccredited training/qualifications
- 25 achieved more than one qualification
- 26 demonstrated an improvement in mental wellbeing on exit compared with on entry (WEMWBS)
- 25 demonstrated an improvement in their employability skills on exit compared with on entry (Work star)

53 refused engagement (*however, this is a mixture of those who actually refused engagement, those who were picked up by Mon CF or C4W as they resided in a Communities First Postcode area, and those who dis-engaged after initially engaging without achieving an outcome*).

### **Children & Families**



**St David's Day Fund** - the purpose of the fund is to support young people who are or have been in local authority care to access opportunities that will lead them towards independent and successful lives. This goes directly to care experienced young people and the money can be used as a way of advancing independence, development and progression. The money has been spent on education; employment; health and wellbeing; housing and access to ongoing advice and support. Locally, many of our young people have used the money on driving lessons and on course fees. The local authority received additional funding for 2019-2020 of approximately £40,000.

**When I'm Ready** – When I'm Ready is well established and strongly advocated within Children and Family Services for looked after children with 5 young people currently remaining with their foster carers after they have turned 18 years old. The When I am Ready scheme has 3 core objectives:

- Provide stability and continuity for young people leaving foster care as they prepare for independence.
- Improve the life-chances of our 'Looked After' children.
- Ensure 'Looked After' children and Care Leavers can exercise their voice and have control over the decisions that affect their lives.

These objectives aim to improve the life-chances of 'Looked After' children by increasing their opportunities for social inclusion and providing the skills required for independence including managing a tenancy, managing money and finding education, employment or training.

The **Resilient Families Team's** core aims are to *Prevent, Return, Reduce, and Review*; **Prevent** children from becoming Looked After when it is unnecessary ('edge of care' intervention), **Return** children home during the first 8 weeks of care, and work with identified families for the reunification of their children from care, **Reduce** the nature of Looked After accommodation/care required, (e.g. from residential care to foster care to family to revocation), and **Review** the safe return of children in long term care.

The Team, which has been recognised for its innovative and research in-practice approach, has been established since October 2017, and a two year report was published by the Practice Leader in October 2019 highlighting that 57 families and 123 children were supported during this period.

In order to work towards and increasingly meet these core aims of *Prevent, Return, Reduce, and Review*, the Team is a group of highly skilled, multi-disciplinary workers who intervene with families who present a high level of need which causes their children to be at risk of becoming Looked After, or has recently caused their children to become Looked After, or which prevents their children being reunified to their care. This is being achieved through a sustained and workforce-wide systemic focus on delivering evidence-enriched practice.

**IMPACT Team** – our BCUHB based team, funded by the ICF project supports a Preschool Autism Communication Therapy (PACT) and Interactive Music (IM, or Musical Interaction Therapy) are evidence-based therapies, both designed to improve

the core “symptoms” of autism by trying to restore the natural processes of development. Parent and therapist work together as partners using video feedback to interpret the child’s often puzzling communication patterns, and find ways to respond that will help the child to engage in interaction and develop clearer communication. PACT firmly places parents at the heart of helping their child, aiming to reskill them with an understanding of their child’s communication, to empower them in how to respond, and improve their morale and confidence. Working with parents also enables and beneficial changes in interaction to be carried into the child’s everyday life, the context in which early social skills are usually learned.

**Priorities for 2020/21:**

- Increase the number of Older people in receipt of Direct Payments to facilitate self- commissioning of services that promotes social interaction and wellbeing.
- Promote the use of information technology in Community Hubs.
- Priorities Workforce Planning in Adult Services

<b>QS4- What difference did we make?</b>
99.03% of Adults receiving their service in the language of their choosing
52 Anglesey Foster Carers
<b>What our People say?</b>
<p>“The social services response you were part of was really encouraging, and we’re both happy with the result. I’m not a big fan of bureaucracy, but the straightforward home assessment and direct payment system are a simple, practical way of dealing with a practical problem. No lengthy forms, no long waiting times, adaptable and pragmatic. I’m grateful that you made it so easy for us.</p> <p>If [service user] stops needing the help, we’ll let social services know. That’s another great feature of your system; it can adapt to our fluctuating needs and other priorities.</p> <p>For the record, the Social Services response has met our needs perfectly and we are very happy with the outcome.”</p> <p>TAF Worker really helped me. She was supportive and understanding and didn’t judge me as a mother. She built my confidence up as a person.</p>

"I am sure your email helped - I am really grateful for everything you have done for us. She (Service user) has had a great summer holidays with the direct payments and has done what she wanted to do!! Thank you for all your help!!"

"(Service user) is a lot more confident, outspoken. He has goals to reach and is excited about them, thanks to TAF worker"

## **Quality Standard 5**

### ***Supporting people to develop safely and to maintain healthy domestic, family and personal relationships***

#### **Adults**

The **Dementia Support Worker Project**, funded via ICF grant, aims to provide Community support services for older people and younger adults presenting with moderate to severe memory related issues or with a diagnosis of dementia. The Dementia Support Workers will adopt a person-centred approach to improve identification of individuals and families within designated geographical patches to provide timely advice and support to navigate and access appropriate services. The dementia support workers will work closely with the Local Asset Co-ordinator to identify community based solutions to improve wellbeing outcomes of the individual living with dementia and their carer. They will support the development of community activities within local hubs and support local Dementia Alliances to implement local priorities.

**Domiciliary Care Fund Project**, funded via ICF grant aims to provide community support services primarily aimed at supporting carers of individuals living with dementia and presenting with moderate to severe cognitive impairment. Following our recent transformation of domiciliary care services on Anglesey this funding will be made available to each domiciliary care provider, in each of the three designated community service patches and managed within our service commissioning arrangements.

**Alzheimer's Advisory Role** – supported by the Alzheimer's Society, via the ICF grant, the service offers a support pathway with trained advisers who will be the trusted, reliable link to everything Alzheimer's Society can offer for someone affected by dementia. The service provides a part time Engagement and Liaison Officer to establish links with GPs working across Anglesey with the aim of building on the links already established by the **Dementia RED** service has monthly information points run by volunteers in some surgeries across the island.



Full time **Carers Support Officer**, funded by the ICF grant in partnership with Carers Outreach, based in Ysbyty Gwynedd will be supporting unpaid carers of patients on clinical wards. Our officer visits wards to identify carers and give information and advice and assistance when necessary. The post will be to support carers during the difficult time, this is often when carers realise they are a carer or realise they will be a carer when their loved one returns home. Majority of carers do not know what is available to them, and the Officer takes the opportunity to explain the discharge process, what is to be expected when they go home, guide them and put things in place and we support the carer emotionally. When the patient is home, the carer then receives support from our **Carers Link Officers** and **Outreach and Development Officers** in the community.

**Community Hubs.** This service provides community based opportunities avoiding statutory intervention altogether. The Community Hub model on the island is developing well. We have established a Community Hub Alliance and now have 10 active hubs across the island. Currently over 1000 people/week attend hub activities. Further work will include working with more community hubs and increase the menu of opportunities for older people within the various CRT catchment areas.

### ***Children & Families***

Welsh Government has allocated funding across Wales to encourage innovative approaches to service delivery across health and social care for children and families. The service will provide responsive and intensive support that seeks to build family resilience with the purpose of retaining and bringing families together.

The North West Wales partnership includes Gwynedd and Ynys Môn children and families social services and the Betsi Cadwaladr University Health Board will provide a peripatetic team, co-located of experienced multidisciplinary professionals who will Working together to support children, young people and their families in continuing to live at home rather than entering the care system. This will include intensive and robust assessment and direct therapeutic support for a small number of children and their families.

The new team will be co-located across Gwynedd and Ynys Môn and will undertake work with children and families in a range of settings including outside the region, and recruitment is currently taking place (temporary until March 2021 due to ICF Funding).

### ***Priorities for 2020-21:***

- Develop a range of flexible respite options for Carers of individuals with Dementia
- Support the delivery of a range of health related preventative services within Community hubs

- Shaping the marketplace in relation to Older Adults care.

<b>QS5 - What difference did we make?</b>
98 % of adult carers who were offered an assessment or review of their needs in their own right
No. of people receiving night owls during the year – 346 total (Galw Gofal 254, WAST 57, Planned 35)
No. of people receiving reablement during the year – 362
8.76% Return Home (Child missing)
246 TAF referrals received
<b>What our People say?</b>
“I am very grateful for all their (Domiciliary Care) help, their patients, kindness, concern and helpful manner. Everyone has always treated me with respect and encouragement. I need the companionship that comes with the care. Thank you.”
“Please could you let your Adult Social Care team know that this is the clearest answer I've received so far and also the most supportive of personal empowerment and the principles of choice and control which underpin Independent Living. I would encourage you to share this good practice at every opportunity!”
“TAF Worker gave me more confidence, uplifted her. She noticed my personal problems and helped me to get some help. Helped the family communicate together and get along better. She has assisted us immensely and helped us all to get along better with new learning tools for us all to work with and we are learning to work together. TAF have been an essential help to us as a family for us all and we would like to thank you all.”
“My sincere thank you to you (Social Worker) for your kindness, understanding and empathy you have shown during the time you worked with us and securing us the best package of support. We will never forget you. You are amazing.”
“The discussion was very beneficial to [parent] and the way the meeting was conducted was made accessible in order for [parent] to participate fully.”

## **Quality Standard 6**

**Working with and supporting people to achieve greater economic wellbeing, have a social life and live in suitable accommodation that meets their needs.**

### ***Adults***

During the year we have continued with the planning for a new Extra Care facility in the Seiriol Area, although securing a suitable property has remained an ongoing challenge resulting in slow progress. The council remains committed to the project and continues to explore options.

The **Night Owls Service** enables Social Care workers to support people who have been assessed as requiring care needs during the night from 10pm to 8am, 7 nights a week. The service involves visits to people's home for planned care or to respond to crisis situations e.g. falls or breakdown in informal carer networks. The Night Owls respond to non-injured fallers which releases the capacity of Welsh Ambulances Service NHS Trust (WAST) to deal with life threatening emergencies. Night Owls aim to respond within approx. 30 mins. Current data for the first nine months reported that 59 planned call outs undertaken with a further 231 emergency call outs. Additionally the Nightowls service responded to 42 non-emergency falls resulting in WAST not sending out an ambulance.

**Llawr y dref project** – utilising ICF grant monies the learning disability team has worked in partnership with the Council's Housing department and the in-house provider Môn Care to develop 2 housing units where individuals with learning disabilities can undergo a comprehensive assessment of their abilities and receive appropriate support to develop skills for independent living. To date 2 people have benefitted from this service and they are currently being supported to identify suitable move-on accommodation. This project has been developed to ensure that people receive the right level of support in line with their individual needs and that they have the necessary skills to enable them to live successfully in the community.

### ***Children and Families Services***

In order to promote de-institutionalisation and reduce significant overspends and allow for the children and young people who are from Anglesey to continue to receive care on the Island, a range of alternative care provision is required. There are a number of children currently living "Out of County" who are unlikely to be reintegrated or placed with family, friends, foster or adoptive families in the foreseeable future. In order to ensure that these children are not 'left behind', and to make significant savings, there is a need to develop alternative residential care services.

**Cartrefi Clyd Môn** means no more than two children living together in 'homely' surroundings and functioning in a similar way to children at home i.e. going out to school, living in the community, having neighbours and friends and so on. The houses will be dispersed throughout the community enabling the resident children to merge more easily into the community.

Each home will be staffed by a small team of residential care workers, ensuring continuity of care for the resident children. There are currently 2 Cartrefi Clyd properties being registered by CIW with a view to them both opening by 1<sup>st</sup> April 2020, funded with assistance from revenue ICF grant.

**Helping Out – Carers Outreach** project provides preventative support to delay/avoid the escalation of future needs of children with additional learning needs and reduce the need for statutory services in the future. With funding from the ICF grant, its aims are to:

- Improving emotional health, mental well-being and resilience of children and families.
- Promote healthier lifestyles and reducing health inequalities.
- Support young people with care and support needs with transition to adult services.

The project will operate a 'voucher' system that will support families to make positive use of short break opportunities by providing a range of opportunities for a time limited period. This includes:

- Grants for carers/families. Up to £400 towards the cost of sport and leisure activities that will give everyone a break and develop skills and experiences, this can include holidays, club membership, support and transport to attend social activities.
- Additional support for families to introduce them and take part in new activities and attend specialist or integrated social groups like Cylch Teulu, Create a Smile etc.
- Together Breaks. Up to £150 towards the cost of a day out, planned trips, overnight breaks for the family.

Following the launch of the Core Offer the recruiting of Foster Carers has increased. We have seen figures more than double in terms of Foster Carers being approved. In the same time period during 2018 and 2019 (the first two quarters) the number of Foster Carer Households approved at the Fostering Panel and Permanency Panel has risen from three in 2018 to eight in 2019 (The Corporate Parenting Panel Report, December 2019). We are forecasting that the number of assessments will increase further in the same time period in 2020.



**Case Study:**

Foster Care Fortnight (13-26 May 2019) was celebrated and promoted by Staff, Foster carers and friends by walking 130 miles around the Anglesey Coastal Path. Whilst enjoying the beautiful coastline, the team also managed to raise a total of £1,478.34 (which included the Bake Off competition and a raffle) for Anglesey Foster Carers Association whilst promoting fostering opportunities.

During 2019 Children and Families Services and Housing Services have worked together to establish a **Training flat** to support young people aged 16-19 who are/will be leaving care the opportunity to see if they are able to **live independently**. The young person will live alone in the flat for up to 28 days, support will be provided around building skills and improving confidence to be able to live independently in the future.

The young person's current foster placement/residential placement will be kept open during the period. The overall assessment period would be for up to 28 days. Near the end of the set period, an assessment will be carried out by the Personal Advisor, Social Worker, Support Worker and any other professionals who have provided additional support.

## Housing Services

### Supporting People / Housing Support Grant

The Supporting People Programme Grant, (SPG) which has been part of the preventative agenda since its inception in 2003, now forms part of the Housing Support Grant. Anglesey's apportionment of the SPG has remained unchanged at £2,643,866 per annum for the past four financial years. The HSG is an important early intervention grant programme which prevents people from becoming homeless. It stabilises their housing situation, and can help potentially homeless people to find and maintain their accommodation. It supports vulnerable people to address the sometimes multiple, problems they face, such as debt, employment, tenancy management, substance misuse, violence against women, domestic abuse and sexual violence, and mental health issues. It helps some of Wales' most vulnerable people to live independently in their own home, be it owner occupied, privately rented or via social housing or within designated supported housing projects.

During 2019 /20, the following numbers of referrals have been received via the Supporting People's Single Point of Access.

<b>Quarter 1 April – June 2019</b>	213
<b>Quarter 2 July- September 2019</b>	205
<b>Quarter 3 October-December 2019</b>	<u>230</u>
<b>Total</b>	<u>648</u>

The graph below, highlights the support needs of service users who present with housing support needs. A total of 1356 needs were recorded from 648 referrals for 3 full reporting quarters. It is therefore clear that the majority of people at the point of presenting for support and or accommodation based needs, have multiple needs, as shown below.

Demand for support and accommodation have increased as a result of socio-economic issues, at a time when the Supporting People funding element of the Housing Support Grant is experiencing the most uncertain and unstable period since its inception in 2003. The likelihood of substantial reductions across many authorities in Wales, as a direct result of the proposed and revised redistribution formula, could have a very significant impact on our financial ability to sustain current provision, at a time where it seems, demand is outstripping supply. The impact of such reductions on statutory provision is likely to place further pressure on statutory services such as Social Services, Health and the Criminal Justice System, and should neither be underestimated or ignored.

**Priorities 2020-21:**

- Undertake an options appraisal for an additional Extra care accommodation north of the island
- Cartrefi Clyd – open a further one property more during 20/21
- Increase Foster Carers

QS6 - What difference did we make?
99.03% of adults were able to discuss their problems during assessment/ re-assessment in their preferred language
44% Care Leavers were in education, training or employment two years after leaving care
What our People say?
“Always helpful, (Domiciliary Care) team compassionate in their work to ensure my parents are safe”
“Appreciation for all the kindness and expertise received from you; [service user] really appreciated the time taken to explain and discuss her needs, and you made it possible for her to continue in our home till the very last. Thank you.”
“You not only cared for [service user] with so much tenderness, care and love, you found the time and empathy for her family. We all so missed your kindness and care. It is a great tribute to you all that all your residents are happy, well cared for and contented and it is easy to see why.”

## **How We Do What We Do**

### **A) Our Workforce. and how we Support their Professional Roles**

*'In relation to the Act a workforce strategy that supports understanding and ability to implement the changes, new roles (e.g. in formal partnerships and for IOACC services), learning and development requirements'.*

The Workforce Development Unit continues to administer the SCWWDP grant to provide training and development opportunities for Social Services and the wider Social Care Partnership on Anglesey. National, Regional and Local priorities are taken into account when planning development opportunities for the workforce and every opportunity is taken to work in partnership with our neighbouring Local Authorities, NHS and other Agencies in order to deliver on the plan.

Key priority areas supported are noted below:

- continued implementation of the Regulation and Inspection of Social Care (Wales) Act including:
  - supporting the domiciliary care workforce to prepare for registration and supporting knowledge/role of responsible individuals.
- support the training, development and qualification of social care managers: including the Middle Manager Development Programme; Team Manager Development Programme; and those requiring registration as managers
- support the ongoing development of approaches to outcome focussed care and support practice
- support for both social work qualifying training and post qualifying training in Wales
- support frontline social care workers to develop their skills overall in relation to social care, and support the introduction of the revised induction framework
- enable the workforce to meet regulatory requirements for qualification and/or registration using guidance available in the Qualification Framework
- provide learning and development to equip the workforce to work effectively alongside carers and to meet the aspirations of the SSWBW Act for carers,

including raising awareness of carers and good practice in carers needs assessments. Social Care Wales provides the following national resources to support these objectives:

- a carer awareness e-learning module
- a toolkit for practitioners undertaking carers needs assessment.

To meet the requirements of the SCDWPP grant, examples of the type of initiatives that were arranged in line with the objective of supporting the workforce were; AIM 3 / AIM Under 12's / AIM intervention – due to updates to the models and guidance; Recording and Reporting, Court Etiquette and Providing Best Evidence, awareness sessions such as OCD/Hoarding, Suicide and more specific training such as Supporting Clients with Personality Disorders and Mental Health First Aid. A full programme was developed and arranged for Foster Carers in line with the training needs identified.

In addition, a number of both Regional and Local sessions were promoted and arranged by the Workforce Development Unit in order to provide up to date information to ensure that Managers were informed about the requirements of the Regulation and Inspection of Social Care Act and as a result, that the Staff were also supported to ensure that they are able to meet the requirements.

In addition, a number of priority areas of development were identified and included in the development plan to promote and support the **registration of the domiciliary care workforce. Examples of these are noted below:**

- supported workforce managers prepare to register their workforce with Social Care Wales by providing Registration Workshops and one to one support from the development team. As a result of this support, 80% of the domiciliary workforce registered with Social care Wales by December 2019.
- Canolfan Anterth worked in partnership with Coleg Menai, offering the Social Care Induction Framework, enabling 20 learners to gain the required Qualification to register as a Social Care worker.
- We provided 4 workshops delivering AWIF Principles and Values (Unit 1) where 80 learners attended support sessions, 60 of the learners completed the on line Principles and Values unit enabling them to register with Social Care Wales and are now continuing to complete the All Wales Induction Framework (AWIF).
- We continued to support frontline Social Care workers to develop their overall skills in relation to social care and supported the introduction of the revised Induction Framework by arranging Induction workshops. These offered underpinning knowledge sessions to support learning and development and the completion of the AWIF within the 6 Months' time guide.
- Our training plan supported priority areas of development including specialised areas of training to support the registration of domiciliary care staff and meet regulatory requirements for qualifications.

Course Title	Course	Numbers attended
Dementia	Awareness raising session for staff across the care sector, volunteers and families	80
All training was arranged in line with the Dementia Action Plan and Good Work Framework as well as meeting the requirements of the AWIF /Core Qualifications	Sensory Loss	40
	End of Life /Palliative Care / 6 Steps End of Life	45
	Dementia and Learning disability	25
	Communication and person Centre care when dealing with behaviours that can be seen as challenging.	25
Outcome Focused Planning	Introduction to what outcomes are and how this i translates from paper to practise in line with the Social Services and Well-being (Wales) Act. To understand the approach to outcomes and how outcomes are put into care and support plans and practises.	75
Induction	To support the implementation of the all Wales induction framework SCW RISCA	80
Care Qualifications	L2 Adults	120
	L3 Adults/Children and Young People	4
	L5 Advanced practitioners award	4
Regulated Workforce	Awareness raising sessions on how to register home carers by 2020 and beyond. Domiciliary Care registration workshops in line with the Social	80

We continued with our Partnership with Bangor University and 2 other Local Authorities to support social work students. The Authority provided traineeship opportunities, undertaking MA/BA qualifications via Bangor University or through the Open University Wales with the aim of all students gaining employment within the Authority.

We worked alongside Bangor University and other Authorities across North Wales to develop a North Wales Practice Educators Programme. During this period we had five qualified and experienced social workers undertaking the Award.

Newly qualified social workers were successfully appointed, all three students from Bangor University – one of which was supported through our trainee scheme.

We continued to support newly qualified practitioners through their First Three Years in Practice which includes the Consolidation Programme, Porth Agored, with one member of staff successfully completing this programme during 2019-20.

Further information regarding post-qualifying social work achievements are below:-

Programme	Number Achieved in 2019-20
Practice Teaching Award	1
Team Managers Development Programme (TMDP)	2

As well as the above, we continued to support our unqualified staff to undertake modules and programmes as level 4 through the Open University Wales.

### WELSH LANGUAGE SKILLS

The Authority is very supportive of staff utilising the opportunities afforded to them to undertake personal development with Welsh Language Skills, which supports the “Mwy na Geiriau” agenda. Staff are encouraged to attend a range of courses/training in order to address their individual needs/raise awareness of the importance of bilingual language skills. See table below for details:

Course	Number of Social Service Staff attended
Welsh language for learners ( <b>Weekly sessions</b> )	4
Nant Gwrtheyrn	4

### SAFEGUARDING TRAINING

Greater emphasis has been placed on ensuring that staff across all services received relevant Safeguarding training. A planned programme of Basic and General Safeguarding courses are included in the Annual Development plan which is accessible to all care staff (LA/Private Sector/Voluntary). In addition, specific courses are arranged to ensure that the workforce is adequately upskilled in specialist areas, see details below:

Safeguarding Subject Area	Numbers Attended
Safeguarding For Professionals	23
General Safeguarding (Full day)	99
Basic Safeguarding (half day)	8
What? Why? How? Recording and Reporting Training	48
Joint Investigation Training	6

Most staff in Adults and Children Services have received training on the new Safeguarding Procedures.

### E-Learning

During 2019/2020 further work was undertaken to develop the provision of E-Learning as a blended method of Learning. The Learning Pool platform was introduced in October 2019 and this method of learning hosts a variety of programmes which include promoting and supporting the wellbeing of staff. Staff are encouraged to take part as part of their own Personal and Professional Development. Accessibility is available via all digital devices.

The table below which provides an overview of some of the modules undertaken by Social Care staff:



<b>Module</b>	<b>Number of completions</b>
Violence against Women, domestic abuse and sexual violence	413
Modern Slavery	230
GDPR	216
Cyber Awareness	182
Prevent	157

Access to the E-learning modules has enabled the Authority to strengthen the skills and knowledge of the Direct Payments (Your Life in your Hands Project) workforce. Enabling this group to enrol onto E-learning modules, enabled them to develop a greater understanding of the policies and procedures influencing their work; thus enabling them to empower the individuals they support to thrive in making choices and in taking control of their lives.

## **B) Our Financial Resources and How We Plan For the Future**

Financial planning remains a serious challenge for the Council under continued and prolonged financial pressures, even though the settlement from Welsh Government for 2020-21 was better than initially anticipated, with Aggregate External Funding amounting to £101m for the year. The year-end position showed an overspend of £1,293k for Social Services for 2019/20.

Children & Families Services overspent by £155k, the significant reduction in the overspend compared to 2018-19 is a direct result of the additional £1.39m which was added into the budget for 2019-20 to recognise the financial pressure within the Children Being Looked After service. The service have worked tirelessly to maintain the level of Children Being Looked After, however on 31-03-2020 we had 161 Looked After Children under our care, compared to 149 on 31-03-2019. This shows that despite the best efforts of the service, the demand has increased by 12 children over a 12 month period. We are expecting to open the 3 Small group Homes imminently, which will result in a reduction of costs in Out of County and Non Standard Placements.

Adult Services overspent by £1,138k in 2019/20 due primarily to (i) fee pressures caused by increases in National Living Wage, (ii) increase in demand for Services and, (iii) Historical underfunding. We have assigned an additional £980k budget to Adult Services in 2020-21 in order to address the issue of underfunding, with the aim of balancing the budget in 2020-21. The Social Care Workforce and Sustainability Pressures grant from Welsh Government has also increased from £670k in 2019-20 to £894k in 2020-21.

Despite the improved funding from Welsh Government in 2020-21, both Services acknowledge that the austerity measures are not over and continue to transform services and manage demand.

The Council has effective and well-managed budget setting and financial planning processes in place, and elected members are fully involved in the cyclical programme of planning, and the scrutiny of budget setting and monitoring.

Estimating future changes is challenging, due to the lack of accurate information on future local government settlements but our Medium-Term Financial Plan initially predicted that there may be a requirement to make up to £6.72m of additional cuts over the next 3 years from 2020/21 to 2022/23. Although the settlement was better than expected in 2020-21, the current economic outlook will look somewhat different in years to come following the outbreak of Covid19.

The table below outlines the financial accounts of our Social Services 2019/20:

	<b>Budget £</b>	<b>Actual £</b>	<b>Variance £</b>
<b>CHILDREN and FAMILIES SERVICES</b>	10,268,480	10,423,621	155,141
<b>ADULT SERVICES</b>			
OLDER PEOPLE	7,495,890	8,606,214	1,110,324
PHYSICAL DISABILITIES	1,924,900	2,030,856	105,956
LEARNING DISABILITIES	6,324,050	6,987,173	663,123
MENTAL HEALTH	1,979,370	2,240,336	260,966
SUPPORT SERVICES	1,272,450	1,144,045	(128,405)
<b>PROVIDER UNIT (MÔN CARE/ OTHER SERVICES)</b>	6,027,430	5,153,302	(874,128)
<b>TOTAL</b>	<b>35,292,570</b>	<b>36,585,547</b>	<b>1,292,977</b>

### **C) Our Partnership Working, Political and Corporate Leadership, Governance and Accountability**

Political governance within the Council has continued to be robust. This has allowed for clear and consistent support for both Adults and Children & Families Services and measured scrutiny of progress.

The **Executive** is the key decision making body and consists of the Leader and 8 Portfolio Holders. The Leader continues to be the Portfolio Holder for Social Services and has continued to politically oversee our improvements. This growing effectiveness is evidenced in taking difficult decisions such as *Older Adults Social Care Programme* (for example building Extra Care Housing in Llangefni, which has been complete and now has a waiting list). The exploration of further Extra Care provision continues and allocating additional resources to Children & Families Services to assist the management of demand has embedded stable working practices.

#### **Partnership Working**

The Panel of Elected Members which was established after the elections of May 2017 to scrutinise, challenge and support the Service Development Plan for Children & Families Services, continues its work and has seen improvements. The agenda has now morphed into a Social Services Panel and oversees both Children's and Adults social care agenda. The membership of the panel is drawn from across the political groups, and continues to provide the opportunity for the Members to enhance their knowledge and understanding of the work undertaken by the department, leading to better scrutiny.

Anglesey Social Services are committed to partnership working on both a local, sub regional, regional and national basis. This has been recognised as a strength in external inspection reports in the past and it continues to be an area for us to build on. Both Children & Families and Adults Services remain actively involved in the All Wales and the North Wales agendas to improve the delivery of social services through a collaborative approach.

Governance arrangements continue to be in place through the North Wales Social Services Improvement Collaborative (NWSSIC) and the Regional Partnership Board. NWSWIC has in place a comprehensive programme of improvement through collaboration, focused on the requirements under Part 9 of the Social Services and Wellbeing (Wales) Act 2014. This partnership ethos can be further evidenced through the collaboration of the Council's Social Services with BCUHB via the Integrated Delivery Board (IDB). The purpose of the IDB is to ensure that the health and care needs of the people of the Isle of Anglesey will be better served by the improved integration of services between health and local authority services. Model Môn is the operational arm of the IDB, with responsibility for delivering the detailed Work Programme.

We continue to work closely with the Betsi Cadwaladr University Health Board to deliver the Integrated Care Fund (ICF) on Ynys Môn. Areas specifically targeted include services for older adults and young people and children with complex needs and Welsh Communication Care Information System (WCCIS). The ICF has been spent on developing Garreglwyd as a specialist home that supports older people living with dementia and the Môn Enhanced Care and Night Owls services within Adult Social Care.

The expectations of the Wellbeing of Future Generations Act (Wales) 2015 continues to embed it's working practices amongst services and the established Public Services Boards (PSB) is overseeing and ensuring that public bodies work together to create a better future for the people of Wales.

We continue to develop close consultation and partnership working with the **Third Sector** through the Voluntary Sector Liaison Committee which meets on a quarterly basis. We recognise the role of the **Third Sector** locally as a strategic partner and have developed appropriate governance arrangements to support this e.g. the role of Medrwn Môn on the Model Môn Operational Group, the OPUS Board (EU funded project) and the Adults Social Care Transformation Board. The established third sector partnership group is maturing and continues to be tasked with delivering against Council objectives and ensuring appropriate engagement and consultation techniques are adhered to with regards to developing strategies and transformation work across the different organisations.

### **Performance**

The Council corporate planning and performance management framework is embedded into its annual governance arrangements. This framework has been adopted to ensure a continuous improvement mind-set is embedded within the work of the Council, and that its monitoring could identify issues prior to under-performance which would impact on service delivery to the citizen. This is undertaken on a quarterly basis via a corporate scorecard and the work of two corporate transformation programme boards.

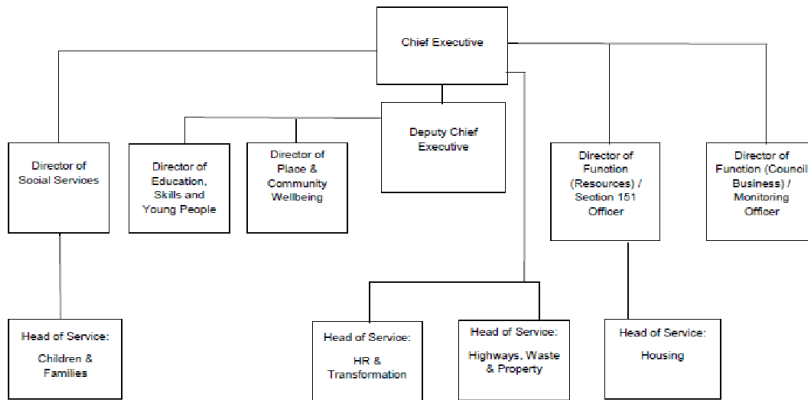
These practices continue to see improvements in a number of social services related indicators, with particular success being seen in the performance of indicators related to the care provided to Adults. Performance indicators for Children & Families Services have also improved and with the continual focus via the revised Social Services Improvement Panel, it is anticipated that there will further be further improvements with regards to performance and consistency of practice which were priorities for 2019-20. The caveat which could obviously impact on this direction of travel is the impact of Covid-19 felt amongst our communities. To mitigate this, emergency structures and systems have been adopted and is led by the Senior Leadership Team.

The new and revised Senior Leadership Team appointed during the year has a new Chief Executive and Deputy Chief Executive and is made up of the following individuals -

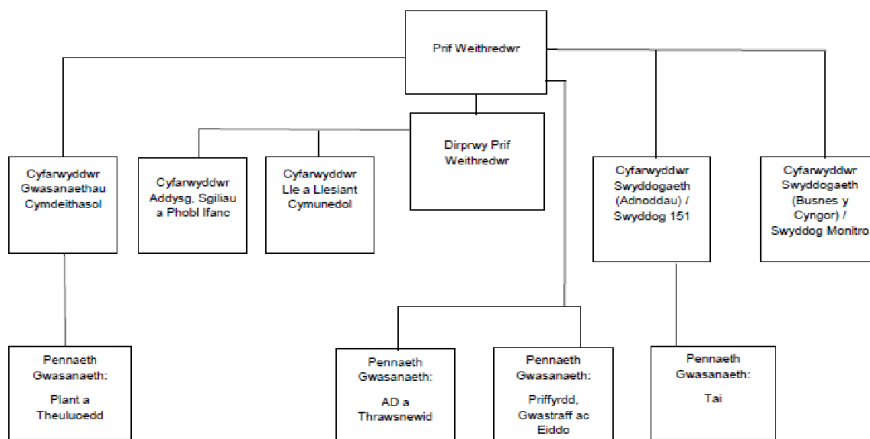
- Chef Executive
- Deputy Chief Executive
- Director of Finance & S151
- Monitoring Officer and Head of Legal

- Director of Social Services
- Director of Learning, Skills and Young People

Isle of Anglesey County Council  
Senior Leadership Team / Head of Service structure



Cyngor Sir Ynys Môn  
Strwythur yr Uwch Dim Rheoli / Penaeithiaid Gwasanaeth



Social Services  
Council Offices  
Llangefni  
Anglesey  
LL77 7HB

Contact us on: Tel: 01248 751887

Email: [EmmaEdwards@ynysmon.gov.uk](mailto:EmmaEdwards@ynysmon.gov.uk)

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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>The Executive</b>
<b>Date:</b>	<b>28/09/2020</b>
<b>Subject:</b>	<b>Land at Mona Industrial Estate – Application by the Anglesey Agricultural Society to amend lease conditions</b>
<b>Portfolio Holder(s):</b>	<b>Cllr Bob Parry – Highways, Waste &amp; Property</b>
<b>Head of Service / Director:</b>	Huw Percy – Highways, Waste & Property
<b>Report Author:</b> Tel: E-mail:	T. Dylan Edwards – Principal Valuation Officer x 2277 tdehp@anglesey.gov.uk
<b>Local Members:</b>	Cllr Nicola Roberts, Cllr Dylan Rees and Cllr Bob Parry

<b>A –Recommendation/s and reason/s</b>
<p>That the Council reject the application to amend the existing lease agreement with The Anglesey Agricultural Society (The Society) for the reasons fully described in this report but which maybe summarised as follows:</p> <ul style="list-style-type: none"> <li>• Restrictions on the freehold title effectively prevent the use proposed in the sublease;</li> <li>• Agreeing to a sublease risks loss of the park and ride facility provided for the Anglesey Show, thereby recreating potential parking problems when the Show is held. This would defeat the purpose for which the lease was granted in the first place;</li> <li>• The use proposed in the sublease will lead to large HGVs gaining access to the site through Gwalchmai, Rhostrehwfa and other villages (including at night) to the significant detriment of the residential amenities of local residents and the possible increased risks to the safety of other road users;</li> <li>• In its Options Appraisal the Council has identified a number of alternative sites which would be more suitable for the purpose proposed.</li> </ul>

## **Background**

### **Land at Mona**

Approximately 38 hectares (94 acres) of land at Mona was purchased by Isle of Anglesey Borough Council from the Ministry of Defence (MOD) in 1994 as an industrial estate. The land has over a 100 year history of military/airforce use and has an abundance of disused concrete runways and hardstandings. By now, all the land that is suitable for development has either been developed or sold as industrial development plots. The exception being the large tract of land to the immediate south east of the existing runway which amounts to about 20 hectares (50 acres) utilised as a buffer zone between the operational runway and the developed industrial site. A plan of the relevant site is attached at Enclosure 1 and a copy of the relevant site in its wider context is attached at Enclosure 2. The land illustrated in Enclosure 1 is subject to certain legal restrictions imposed on the Council and its tenants by the MOD. These restrictions include:

- a. An obligation to maintain an emergency access to the operational runway;
- b. A restriction on any building on the buffer zone land;
- c. An overage provision to the benefit of the MOD against any change of use.

### **The Society**

The Society has successfully used the Council's land at Mona Industrial Estate as a park and ride facility which has greatly improved the traffic management associated with the annual Anglesey County Show. The existing concrete runways provide useful hardstanding for vehicles. This provision has been enabled through various licence and short term lease agreements since 2012.

In the context of the preparation for a no-deal BREXIT the site had been identified by North and Mid Wales Trunk Road Agency (NMWTRA) and the Welsh Government as a suitable location for the short term emergency processing of HGVs for the checking/processing of import and export paperwork without causing disruption to the road network and port facilities in Holyhead. This provision was expected to be required for only a very short period (possibly only a matter of a few days) until a more permanent administrative process would be put in place. Some enabling works to improve the entrance and some clearing of debris from the old concrete runways was carried out under licence in October 2019 by NMWTRA. No further contact/discussion has since taken place until an email was received by the Council in early April 2020 indicating that Welsh Government wanted to resurrect the discussion.

In June 2020 separate correspondence was received by the Council from the Property Department of HMRC, expressing an interest in the land at Mona Industrial Estate for the provision of a facility for 100 HGVs plus some temporary ancillary buildings in readiness of final departure from the EU; specifically for customs use. In addition to a small facility in

Holyhead, HMRC indicated their requirement of the Mona site for a period of 5 years. A response was sent stating that the land in question was in the Council's freehold ownership, but not in the Council's possession and therefore the Council was not in a position to negotiate. HMRC was informed that the Council's title contained restrictions and covenants for the benefit of the MOD. It was mentioned that the Welsh Government retained interest in the land and suggested that HMRC consider alternative options.

It has since come to the attention of the Council that discussions have reached an advanced stage between HMRC, and The Society, for The Society to sub-let their interest in the Mona site to HMRC.

### **The Existing Agreement with The Society**

The Council entered into the current leasehold agreement with The Society in March 2018 for approx. 17 hectares (41 acres) of the land within the buffer zone. The details of the relevant terms of the agreement are as follows:

**Lease Date:** 15<sup>th</sup> March 2018

**Consideration:** One peppercorn plus a free pitch at the Anglesey County Show [Clause 4]

**Contractual Term:** An initial 5 years commencing on 15<sup>th</sup> March 2018 and expiring on 14<sup>th</sup> March 2023 with an option to renew for a further 5 years until 14<sup>th</sup> March 2028 [Clause 3]

**Permitted use:** Use as a park & ride facility in conjunction with Anglesey County Show [Clause 21].

**Assignment:** With Landlord's consent not to be unreasonably withheld [Clause 14]

**Other dealing:** Absolute prohibition on subletting and sharing occupation [Clause 15]

**Statutory Protection:** Contracted out of s24 and s28 of the Landlord and Tenant Act 1954 (no statutory right of renewal at expiry) [Clause 32] and confirmed via Statutory Declaration.

**Landlord's Break Option:** On the provision of six months' notice part of the land (marked with a "C" on the lease plan) to be returned to the Landlord.

### **The Request**

Correspondence was received by solicitors acting on behalf of The Society on 19<sup>th</sup> August 2020, requesting permission to vary the following elements of the lease:

1. Clause 15 of the Lease prevents sub-letting. An agreement to vary to allow sub-letting is sought. A licence to sub-let in favour of the Secretary of State will also be required in due course.
2. Clause 15 also prevents the sharing of occupation. The Secretary of State intends to share its occupation with another Government department – DEFRA.
3. The definition of the permitted use is too narrow for the intended use by the Secretary of State. The intended use will be for offices/light industrial and storage to include storage of vehicles. The premises to be used for the parking of cars,

motor cycles and light vans, large trucks and heavy goods vehicles including for the purpose of inspection, the unloading and loading of goods with ancillary office and welfare facilities falling within use Classes B1, B2 and B8. It is understood that the intention is to use the property as an inspection and testing facility for the inspection of goods, plant and animal matter and liaising with Border Control. There would be the need to locate and operate warehouses, fenced enclosures, portacabins and portable chiller units and ancillary offices together with staff welfare facilities.

4. The Secretary of State also requests that the option that the Council has to determine the Lease in relation to the area marked 'C' on the Lease plan be extinguished. The break clause giving the option to determine is at Clause 33 of the Lease.

The Council is not legally obliged to consent to any of the above requests under the existing lease.

It is not in the Council's power to allow HMRC's proposed development owing to the restrictions imposed by the MOD on the Council's freehold title.

Following a separate appraisal of alternative sites along the A55 corridor, more suitable locations than Mona have been identified.

The use of Mona for this purpose will have significant impact on the communities of Gwalchmai and Rhostrehwfa, and possibly other villages, if HGVs are minded/permitted to turn-off the A55 before Junction 5 to avoid inspection. Limiting HGV traffic to Junction 6 will avoid some traffic impacts, but there would be ongoing concerns about enforcement and the existing safe pedestrian routes to schools.

There is a distinct lack of community amenities, facilities and utility services serving Mona.

There is currently no designated safe walking route and street lighting approaching the industrial estate. Road safety is a major risk with a number of accidents having occurred on the B4422 and A5 and there is an enhanced risk created by increased volume of traffic.

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

Do nothing – Not an option.

Delay decision – There is particular urgency from the Secretary of State to have an operational site by 1<sup>st</sup> January 2021.

Consent to the request – This option would require significant mitigation measures, which

include, but may not be limited to:

- The provision of a new junction providing direct access from the A55 to the site along with improvements to the immediate road network between Junctions 5 and 6. Alternative parking facilities will be necessary for residents who require parking on the highway in Gwalchmai. The provision of parking restrictions, pedestrian crossings, additional traffic calming measures and speed limit reductions.
- A lifting of the existing legal restrictions, restrictive covenants and overage provision imposed by the MOD on the Council's title.
- Consenting would also create a commercial lease where a commercial lease does not exist at present. The lease to The Society is to a specific user for a specific, non-commercial purpose – i.e. parking for visitors to the Anglesey Show or other similar events. The loss of this site for parking risks creating problems for the parking arrangements at future Shows which is manifestly not in the Council's best interests as the local highway authority. It also defeats the purpose for which the lease was granted in the first place.

**C – Why is this a decision for the Executive?**

Under the terms of the Council's Asset Management Policy and Procedures the Head of Service for Highways, Waste & Property has the delegated power to issue consent in relation to the terms and conditions of leases under section 4. At the request of the Head of Service for Highways, Waste & Property this request has been referred to the Executive for consideration pursuant to paragraph 3.5.1.6.

**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

**E – Impact on our Future Generations(if relevant)**

1	<b>How does this decision impact on our long term needs as an Island</b>	There is a risk should the land at Mona be developed as proposed; that this decision will negatively impact the specific local
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		communities of Gwalchmai and Rhostrehwfa due to a significant increase in heavy goods vehicle traffic.
2	<b>Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-</b>	No
3	<b>Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:</b>	No
4	<b>Have Anglesey citizens played a part in drafting this way forward? Please explain how:-</b>	No
5	<b>Outline what impact does this decision have on the Equalities agenda and the Welsh language</b>	No impact on the Welsh language

<b>DD – Who did you consult?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Senior Leadership Team (SLT)</b> (mandatory)	No observations
2	<b>Finance / Section 151</b> (mandatory)	No observations
3	<b>Legal / Monitoring Officer</b> (mandatory)	Observations incorporated within the report
4	<b>Human Resources (HR)</b>	
5	<b>Property</b>	Property Services has prepared this report.
6	<b>Information Communication Technology (ICT)</b>	
7	<b>Procurement</b>	
8	<b>Scrutiny</b>	
9	<b>Local Members</b>	

<b>F - Appendices:</b>

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

Site Plan



Mona\_5000.pdf

The Society's  
Lease



Scanned Lease.pdf

Registered Title



589247 - Official  
Copy (Register) - WA

Statutory  
Declaration



Stat Dec re  
Lease.pdf

Title Plan



589246 - Title Plan  
WA714484.pdf

Landlord's  
Option



Stat Dec re  
Option.pdf

1994  
Conveyance



589245 - Official  
Copy (Conveyance) :

Proposal Plan



418703-MMD-06-A  
G-SK-C-0004.pdf

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