

# Public Document Pack



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

Mrs Annwen Morgan  
Prif Weithredwr – Chief Executive

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<b>RHYBUDD O GYFARFOD</b>	<b>NOTICE OF MEETING</b>
<b>PWYLLGOR GWAITH</b>	<b>THE EXECUTIVE</b>
<b>DYDD LLUN 25 IONAWR 2021 10.00 o'r gloch</b>	<b>MONDAY 25 JANUARY 2021 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 - 28)**

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

- 30 November 2020
- 14 December 2020
- 17 December 2020 (Extraordinary)

**4 MINUTES - CORPORATE PARENTING PANEL (Pages 29 - 38)**

To submit for adoption, the draft minutes of the Corporate Parenting Panel held on 8 December 2020.

**5 THE EXECUTIVE'S FORWARD WORK PROGRAMME (Pages 39 - 52)**

To submit a report by the Head of Democratic Services.

**6 CHANGES TO THE CONSTITUTION - RESTRUCTURE OF THE SENIOR LEADERSHIP TEAM (Pages 53 - 60)**

To submit a report by the Chief Executive.

**7 INTERIM HOUSING STRATEGY 2020/21 (Pages 61 - 82)**

To submit a report by the Head of Housing Services.

**8 BIODIVERSITY PLAN (Pages 83 - 114)**

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

**9 BUS EMERGENCY SCHEME (Pages 115 - 186)**

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

## THE EXECUTIVE

### Minutes of the virtual meeting held on 30 November, 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 Profession (HR) and Transformation  
Head of Democratic Services  
Interim head of Adults' Services  
Committee Officer (ATH)
- APOLOGIES:** None
- ALSO PRESENT:** Councillors Kenneth Hughes Trefor Lloyd Hughes, MBE, Aled Morris Jones, G.O Jones, R. Llewelyn Jones, Dafydd Roberts, Scrutiny Manager (AGD), Corporate Governance Solicitor (MY), Communications Officer (GJ), Mr Gareth Wyn Williams (Local Democracy Reporter)

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The Chair extended a warm welcome to all those present at this virtual meeting of the Executive.

**1. DECLARATION OF INTEREST**

No declaration of interest was made.

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

None to report.

**3. MINUTES**

The minutes of the previous meeting of the Executive held on 26 October, 2020 were presented for the Executive's approval.

**It was resolved that the minutes of the previous meeting of the Executive held on 26 October, 2020 be confirmed as correct.**

#### **4. THE EXECUTIVE'S FORWARD WORK PROGRAMME**

The report of the Head of Democratic Services incorporating the Executive's Forward Work Programme for the period from December, 2020 to July, 2021 was presented for consideration and the following changes were noted -

- Item 4 - Sports North Wales Business Case – a new item for the 14 December, 2020 meeting
- Item 9 – Anglesey Further Education Trust Annual Report and Accounts 2019/20 – rescheduled to the 25 January , 2021 meeting
- Item 10 – Llangefni Golf Course – subject to confirmation, rescheduled to the 25 January 2021 meeting.
- Item 27 – Introducing Galw Gofal – Care Connect charges for Council Housing Tenants rescheduled to the 22 March, 2021 meeting
- Extraordinary meeting of the Executive confirmed for 17 December, 2020 to consider Schools' Modernisation in the Llangefni Area.

In addition, the arrangements for convening meetings of the Executive to deal with the 2021/22 Budget setting process over the course of January to March, 2021 will be confirmed at the next meeting.

**It was resolved to confirm the updated Forward Work Programme for the period from December, 2020 to July, 2021 as presented.**

#### **5. CORPORATE SCORECARD QUARTER 2 2020/21**

The report of the Head of Profession (Human Resources) and Transformation incorporating the Corporate Scorecard for Quarter 2 2020/21 was presented for the Executive's consideration.

The Portfolio Member for Council Business introduced the report and provided an overview of performance during the quarter. Despite the challenging circumstances created by the Coronavirus pandemic which saw the Council adapt the way it works to respond to the crisis including implementing new services whilst also maintaining key frontline services, conducting normal business where possible, and ensuring health and safety, the majority (88%) of the performance indicators monitored continue to perform well against targets (Green or Yellow RAG). This is an encouraging outcome in the context of a year that has been far from normal.

Councillor Aled Morris Jones, Chair of the Corporate Scrutiny Committee provided feedback from the Committee's discussions on the Quarter 2 Corporate Scorecard at its meeting on 17 November, 2020. Having acknowledged and expressed appreciation for the efforts and commitment of the Council's workforce during the period the Committee had focused on pockets of underperformance in Housing, Planning and Children and Families Services and had sought assurance that the specific issues raised were being addressed. The Committee was satisfied with the mitigation measures presented and as clarified by the Portfolio members and Officers at the meeting and was happy therefore to recommend the Quarter 2 Scorecard report to the Executive.

The Programme, Business Planning and Performance Manager confirmed the many positive aspects of work which the Quarter 2 Scorecard reflects and highlighted the Council's digital strategy as an area which has been essential during the pandemic due to the closure of the Council's offices and the cautious re-opening of some services after lockdown. All indicators under the digital service shift subheading have seen performances that have surpassed previous annual results. Further, there have been no corporate complaints with regard to customer service issues and the number of complaints at the end of Quarter 2 (17) was half

that recorded for the same period of 2019/20 (35). This is especially positive at a time when many services provided to Anglesey's residents were delivered differently to the norm and demonstrates also that providing good customer service remains a priority during these difficult times.

Agreeing that the report is encouraging given the context, the Executive added its thanks to all the Council's staff for their hard work in maintaining performance levels in general. Referring to Indicator 35 (the average number of calendar days to let lettable units of accommodation (excluding DTLs) and related Indicator 36 (Landlord Services: the percentage of rent lost due to properties being empty) the Vice-Chair although recognising that there are extenuating circumstances which might account for the below target performance in these areas with Housing Service staff having been involved with the crisis response, said that he would like to see positive movement on these indicators in the new year and would welcome a more detailed analysis on how the timescales could be reduced given the local need for housing.

Councillor Alun Mummery, Portfolio Member for Housing and Supporting Communities confirmed that this conversation is being conducted by the Housing Service and that more detailed analysis is planned. In the meantime housing units do continue to be let. The Programme, Business Planning and Performance Manger said that more information would be available at Quarter 3 and that Internal Audit is also undertaking an audit of the housing allocations process.

Councillor Richard Dew, Portfolio Member for Planning provided an explanation for the underperformance in aspects of the Planning Services citing that Covid-19 related restrictions had contributed towards the missed targets with regards to the timely determination of planning applications and the investigation of enforcement cases but that progress is now being made. In the case of planning appeals dismissed, the numbers to which the indicator applies is small with the underperformance being due to three out of six appeals being upheld. A discussion with the Joint Planning Policy Unit is planned to ensure consistency in decisions/Officers' interpretation of applications in order to reduce successful planning appeals.

**It was resolved to accept the Scorecard monitoring report for Q2 2020/21, to note the areas which the Senior Leadership Team is managing to secure improvements into the future and to accept the mitigation measures as outlined in the report.**

## **6. ADOPTION OF ANNUAL DELIVERY DOCUMENT 2020-2022**

The report of the Head of Profession (HR) and Transformation incorporating the Annual Delivery Document for the 18 month period from October, 2020 to March, 2022 was presented for the Executive's consideration. The Annual Delivery Document focuses on the work which the Authority will undertake to accomplish aspirations set in the County Council Plan 2017-22.

The Portfolio Member for Council Business introduced the report highlighting that the Document covers an 18 month period rather than the customary 12 months. Although drafting the document in a time of change and uncertainty has been challenging the aim has been to develop a programme of work that is ambitious, realistic and achievable. Giving his personal perspective, the Portfolio Member cited promoting the economy of the Island through the North Wales Economic Ambition Board, increasing housing supply, modernising schools and developing a climate change action plan as key areas. The Delivery Document also includes four themed recovery programmes which will provide a steer out of the pandemic for economic recovery, destination recovery, social and community recovery and organisational recovery; the detailed programmes will be made available in the New Year.

Councillor Aled Morris Jones, Chair of the Corporate Scrutiny Committee reported from the Committee's 17 November, 2020 meeting at which the Delivery Document 2020-22 was scrutinised. The Committee had noted the Document's extended timeframe and in acknowledging the challenging financial context, had discussed and sought assurance regarding the achievability of the aspirations which it contained. The Committee had also sought to understand the relationship between the Delivery Document and the four recovery programmes in terms of implementation and timescales. Having heard the additional information provided by Portfolio Members and Officers at the meeting, the Committee resolved to recommend the Delivery Document to the Executive.

**It was resolved to authorise Officers through the Portfolio Member for Council Business to undertake the task of completing the final draft of the Annual Delivery Document for 2020/22 and to recommend its adoption by the Full Council at its meeting in 8 December, 2020.**

## **7. REVENUE BUDGET MONITORING – QUARTER 2 2020/21**

The report of the Director of Function (Resources)/Section 151 Officer setting out the financial performance of the Council's services at the end of Quarter 2 of the 2020/21 financial year was presented for the Executive's consideration.

The Portfolio Member for Finance reported that based on information to date, the overall projected financial position for 2020/21 including Corporate Finance and the Council Tax fund, is an underspend of £1.156m which is 0.81% of the Council's net budget for 2020/21. Whilst welcoming the performance on which the prognosis is based the Portfolio Member cautioned that the situation can change significantly by year end especially when the ongoing effects of the Coronavirus pandemic are factored in with particular regard to the uncertainty around the return to normality of the Council's services. The Welsh Government has provided councils in Wales with £232m to date to meet additional costs associated with dealing with the pandemic and to cover the loss of income incurred through the closure of services.

Councillor Dafydd Roberts, Chair of the Finance Scrutiny Panel reported that the Panel in considering the report felt that it provided a clear and self-explanatory statement of the Quarter 2 position and the Panel noted and welcomed the positive performance. The Panel was however concerned about the uncertainty going forwards including the lack of clarity about next and future years' funding.

The Director of Function (Resources)/Section 151 Officer guided the Executive through the significant service variances at Quarter 2 noting that the service budgets are expected to underspend by £1,595k due to reduced demand for Children's Services and the impact which the closure of schools during the period April to July, 2020 has had on central education budgets. Welsh Government grant funding for loss of income has been included in the Quarter 2 calculations and this has contributed to the improved position especially with regard to the Leisure Service. The number of claims on the Council Tax Reduction Scheme was expected to rise significantly as a result of the economic fallout from Covid-19 and although the summer saw a spike in the number of claimants on the scheme the situation has since stabilised and claims have reduced. Whilst the extension of the Furlough scheme is thought to have helped ease the worst of the pressure on the scheme, the number of claims is 2.7% higher than it was at the end of March, 2020 and the cost of meeting the increased claims will fall to the Council. Council Tax income is down approximately 2% compared with the same period last year; the enforcement process has since resumed but the full effect of non-payment will not be seen until the debt collection process has been completed and an assessment of bad debt made.

With regard to Covid-19 related expenditure from April to September, 2020 funded by Welsh Government, the Council has to date claimed £3.28m for additional costs arising from the pandemic of which £3.228m has been paid by Welsh Government. The balance of £52k shown as outstanding in Table 2 of the report has now also been paid. A further claim for 273k has been submitted for October, 2020. In relation to Welsh Government grant funding for loss of income from services during the pandemic a balance of £591k is outstanding as per table 3 of the report. However, the claim was only made at the time of the report's drafting and there is usually some time lag between submission and payment. The Officer concluded by saying that while the immediate financial situation is encouraging, the Council is entering the challenging winter quarter when pressures on services - in particular Highways and Adults' Services - can and do increase.

**It was resolved –**

- **To note the position set out in Appendices A and B of the report in respect of the Authority's financial performance to date and expected outturn for 2020/21.**
- **To note the summary of Contingency budgets for 2020/21 detailed in Appendix C of the report.**
- **To note the position of the invest to save programmes in Appendix CH of the report.**
- **To note the position of the efficiency savings for 2020/21 in Appendix D of the report.**
- **To note the monitoring of agency and consultancy costs for 2020/21 in Appendices DD, E and F of the report.**

**8. CAPITAL BUDGET MONITORING – QUARTER 2 2020/21**

The report of the Director of Function (Resources)/Section 151 Officer setting out the performance of the Capital Budget for the second quarter of the 2020/21 financial year was presented for the Executive's consideration.

The Portfolio Member for Finance reported that actual expenditure to 30 September, 2020 was £10.521m against profiled expenditure of £13.688m due to a large extent to the impact that Covid-19 and related restrictions are having on the progress and completion of some schemes. However, the majority of projects are on target to be completed within budget. Referring to the recent retendering process for the Waste contract which was awarded to Biffa, the Portfolio Member for Finance clarified that as part of the contract negotiations, it was agreed that the Council would fund the capital cost of the new vehicles which amounts to £4.449m. This will be funded by Unsupported Borrowing for which the Executive's approval is sought, and will generate an annual revenue charge of between £550k and £650k (depending on the length of the loan) which will have to be factored into the 2021/22 budget. The advantages of taking this approach are twofold, namely in the event of contract failure the vehicles would remain in Council ownership and would be used to maintain the waste collection service and secondly, the Council is able to finance the purchase of vehicles at a lower interest rate than the contractor meaning that the borrowing costs will not be passed on to the ratepayer.

Councillor Dafydd Roberts, Chair of the Finance Scrutiny Panel reported that the Panel in considering the Quarter 2 capital position, had raised a query on whether the delay in progressing the 21st Century Schools Programme would lead to a loss of grant funding; the Panel had been satisfied by assurances that that would not be the case.

The Director of Function (Resources)/Section 151 Officer confirmed that most of the underspend on the capital programme is linked to the Schools' Modernisation Programme

which has been paused pending a final decision on the configuration of schools in the Llangefni area, and the Housing Revenue Account where housing related activities have been affected by the pandemic. In the case of the latter the underspend on capital expenditure will carry over into next year and in the case of the former, Welsh government has confirmed that unused Anglesey funding for the Band A programme where one scheme remains outstanding will be allowed to carry over into the Band B programme. As well as the delays caused by the pandemic, poor weather conditions over the winter can also hamper progress on capital projects.

**It was resolved –**

- **To note the progress of expenditure and receipts against the capital budget 2020/21 at Quarter 2.**
- **To approve £4.449m of Unsupported Borrowing in relation to the conditions of the Waste Contract awarded to Biffa as per paragraph 3.3.1 of the report.**

#### **9. HRA BUDGET MONITORING – QUARTER 2 2020/21**

The report of the Director of Function (Resources)/Section 151 Officer setting out the financial performance of the Housing Revenue Account (HRA) Budget for Quarter 2 2020/21 was presented for the Executive's consideration.

The Portfolio Member for Finance reported that the revenue financial position for the second quarter shows an underspend of £324k. The income forecast is £100k below the original budget, and expenditure is forecast to be £112k below the original budget. Capital expenditure is £1,250k below the profiled budget and the forecast expenditure is £6,244k below the budget. The forecast deficit therefore (combining both revenue and capital) is £6,256k less than the budget (reducing the planned deficit to £823k) largely the result of lower than budgeted capital expenditure. The HRA is ring-fenced and its reserves cannot be transferred to the General Fund.

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

- **The position set out in respect of the financial performance of the Housing Revenue Account (HRA) for Quarter 2 2020/21.**
- **The forecast outturn for 2020/21.**

#### **10. COUNCIL TAX BASE 2021/22**

The report of the Director of Function (Resources)/Section 151 Officer in relation to the calculation of the tax base for 2020/21 was presented for the Executive's consideration.

The Portfolio Member for Finance reported that the calculations have been made in accordance with the Welsh Government Guidelines for Council Tax Dwellings (CT1 v.1.0) 2021/22 based on the number of properties in various bands on the valuation list on 31 October, 2020 and summarised by the Authority under Section 22b (7) of the Local Government Finance Act 1992. The calculations take into account discounts, exemptions, and premiums as well as changes to the valuation list likely during 2021/22. The total base proposed for 2021/22 for the purpose of tax setting is 31,548.20. This compares with 31,532.53 for 2020/21 and is an increase of 0.05%.

The Director of Function (Resources)/Section 151 Officer advised that there are two elements to the calculations, namely the Council Tax Base for calculating the Revenue Support Grant which includes all standard Council Tax properties but excludes adjustments for premiums and discounts granted by some authorities in respect of Classes A, B and C. This figure is calculated to be 30,880.22 which is a reduction of 0.15% on the previous year's



figure of 30,927.17 and this information has been forwarded to the Welsh Government. Secondly, the total band D equivalent discount that is used for tax setting purposes had been adjusted by a provision for non-collection, which continues to be 1.5%, and also includes allowance for Ministry of Defence properties. The figure as mentioned above is calculated to be 31,548.20 and although it has remained fairly static from 2020/21 it is subject to volatility during the year as properties are transferred out of domestic Council Tax into business rates and also as properties are purchased as second homes and become subject to the premium. The number of properties within the standard Council Tax regime has decreased due to a rise both in the number of second homes and in the number of empty properties with the pandemic having had an impact this year on people's ability to let, renovate or sell properties that are empty. A report on the Council Tax premium for second homes will be presented to the Executive in December, 2020.

#### **It was resolved –**

- **To note the calculation of the Council Tax Base by the Director of Function (Resources) and Section 151 Officer – this will be used by the Welsh Government in the calculation of the Revenue Support Grant for the Isle of Anglesey County Council for the 2021/22 financial year, being 30,880.22 (Part E6 of Appendix A to the report).**
- **To approve the calculation by the Director of Function (Resources) and Section 151 Officer for the purpose of setting the Council Tax Base for the whole and parts of the area for the year 2021/22 (Part E5 of Appendix A to the report)**
- **That, in accordance with the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995 (SI1995/2561) as amended by SI1999/2935 and the Local Authorities (Calculation of Council Tax Base) and Council Tax (Prescribed Classes of Dwellings) (Wales) (Amendment) Regulations 2004, and the Local Authorities (Calculation of Council Tax Base) (Wales) (Amendment) Regulations 2016, the amounts calculated by the Isle of Anglesey County Council as its tax base for the year 2021/22 shall be 31,548.20 and for the parts of the area listed in table 3 of the report shall be as set out therein.**

#### **11. FINAL GROWTH DEAL**

The report of the Chief Executive incorporating the key documents required to reach Final Deal Agreement for the North Wales Growth Deal with the UK Government and Welsh Government was presented for the Executive's consideration.

The Leader introduced the report and said that this step in the North Wales Growth Deal Bid represents the culmination of a long process to which the Isle of Anglesey County Council has contributed fully along the way.

The Chief Executive agreed that this represents a significant milestone in the Growth Deal Bid process bringing to fruition a great deal of work over a long period of time and demonstrating also the value of a strong partnership based on willing collaboration and understanding between partners across sectors. She said that thanks are due to Officers who have served on the range of boards developing the Growth Bid which has brought it to the point of this historic occasion; it is hoped that this programme of much needed economic investment in the North Wales region will quickly produce results at a time when the Covid-19 pandemic has severely impacted the economy.

The Deputy Chief Executive said that in recognising that employment and the economy are not confined to local authority areas with people and businesses moving across boundaries, the Welsh Government's economic development interventions are being delivered

increasingly through regional structures. Working collaboratively as a region makes it easier to secure additional funding at a level that would not be possible for the six local authorities if they were operating separately and individually. The Deputy Chief Executive referred to the economic benefits and investments the Growth Deal is expected to bring to both the Island and the mainland in what is the largest and most significant economic development programme the region has seen since the austerity period began. The programme will focus on supporting growth in high value sectors in terms of employment and the labour market. The projections are for the creation of between 3,000 and 4,000 additional jobs generating over £2b of additional GVA which in turn is expected to draw in private sector investment to the value of £1b. Whilst there are currently on the Island a number of highly visible projects in the form of Morlais, Holyhead Port and the Menai Science Park there is a range of other projects in connection with housing and property, ITC, sustainable transport and green energy on which the Island can capitalise to draw down additional funding. It is important that the Authority remains a strong, productive and influential voice within this regional model of working and it is hoped that the New Year will see a shift from the planning and preparatory stage to a phase wherein the funding will begin to be realised and spent.

The Director of Function (Resources)/Section 151 clarified the financial implications of the Growth Deal to which there are two elements, namely the revenue costs of running the programme which it has been agreed will be shared between the six local authorities and the colleges with Anglesey Council contributing £90k with an annual uplift for inflation. The North Wales Economic Ambition Board (NWEAB) has successfully secured European funding which has helped keep costs down. The second element involves funding the capital expenditure on the projects within the programme – there is a medium term temporary funding gap between the expected expenditure profile of the Growth Deal and the expected profile of government funding received over 15 years which will be managed through borrowing, i.e. Government grant funding will be spread over 15 years whilst expenditure on the projects is likely to occur within the first 6 years leaving a funding gap which will be bridged by borrowing. As the funding comes in so the borrowing will reduce each year. Paragraph 2.5 of the report shows the total (15 years) partner contributions to cover the cost of borrowing notionally required to facilitate the negative cash flow whilst paragraph 2.6 shows the annual partner contributions to cover the cost of borrowing notionally required to facilitate the negative cash flow. These contributions are in addition to the established core and supplementary annual contributions shown in Paragraph 2.7 of the report (the figures are expanded on in the attached Business Plan). Timing is a factor with regards to borrowing as are interest rates meaning the figures may change ; for example if Government was to release grant funding before the close of this financial year or early in the next then a capital sum would be available at the outset thereby reducing the borrowing requirement.

The Director of Function (Council Business)/Monitoring Officer outlined the legal implications and governance arrangements. She reported that when the Final Growth Deal is agreed and signed with the two Governments a new Governance Agreement 2 (GA2 – provided in full under Appendix 4 with a summary under Appendix 3) will replace the current GA1 and will regulate the partnership between the 6 North Wales Local Councils and the 4 Colleges for the duration of the Growth Deal. The political model will remain the same as for GA1, namely an Economic Ambition Board (EAB) consisting of each Leader of the 6 North Wales Councils, each of whom has a vote. The 4 Colleges will also be members of the EAB but will not have a vote as the EAB is a statutory joint-committee. A Leader from each of the 6 Councils will be appointed Chair on an annual basis but will not have a casting vote. If any item on the EAB's agenda does not receive agreement, the item will be subject to a cooling-off period and will then return to the EAB for further consideration. If no agreements can then be reached by the EAB the proposal will fall. Owing to the statutory joint committee model agreed by the parties the agendas, reports and minutes will be published and available on the Council's website.

In terms of operation, the Host Authority model will apply as agreed by the partners; Gwynedd Council has been appointed as the host authority and will provide the Section 151 Officer and Monitoring Officer functions as well as HR, Audit and ICT services. The EAB will operate under the Standing Orders and Procurement Rules of Gwynedd Council. Any significant changes to the Overarching Business Plan, as well as any significant changes to the GA2, budgetary matters and any partners seeking to leave the EAB are all reserved matters which will need to be considered and approved by the full Council. The elected members on EAB will be subject to their Members' Code of Conduct as will Officers working for the EAB. The representatives of the Colleges will be subject to a Conflict Policy as they have no Code of Conduct. Decision records will be produced and published and a quarterly report will be submitted to each partner which will report on progress of individual projects including their financial performance. The conditions of the Growth Deal also require the submission of a report to the Welsh and Westminster Governments and an annual report will be taken to Gwynedd Council's Audit Committee. Scrutiny arrangements are set out in Schedule 3 to GA2 and a call-in mechanism similar to that in effect at the Council will apply.

Councillor G.O. Jones reported from the 10 November, 2020 meeting of the Partnership and Regeneration Scrutiny Committee which considered the Final Growth Deal Bid with advisory input being provided at the meeting by two representatives from the EAB. The financial, legal and governance arrangements were discussed and the economic benefits and opportunities likely to derive to the Isle of Anglesey from the Growth Deal were outlined. In considering the matter the Committee had raised the implications of Brexit and Covid 19 in terms of adjustments that may need to be made by the EAB and had sought clarification with regard to the EAB's membership and in particular the absence of Trade Union representation. The Committee had further sought clarity with regard to the steps to be taken in the event of project overspend. Having received assurance on these matters, the Committee had determined to recommend that the Executive support the Final Growth Deal Bid Agreement.

Councillor Carwyn Jones gave his perspective as Portfolio Member for Major Projects and Economic Development and welcomed the regional collaboration which underpinned the Growth Deal Bid and had made it possible, and he acknowledged also the work of Officers in progressing the Deal through various stages. The Deal Agreement offers opportunities on a scale that would not be available to the authorities working on their own and offers the prospect of economic regeneration for the Isle of Anglesey as well as the region at a critical time.

**It was resolved that the Executive –**

- **Approves the Overarching Business Plan as the document that sets out the arrangements to deliver the North Wales Growth Deal as the basis for entering into the Final Deal Agreement and acceptance of the Grant Funding Letter with the UK and Welsh Governments and recommends its approval to Full Council.**
- **Approves the provisions in Governance Agreement 2 relating to executive functions, and recommends that Full Council approves the provisions relating to non-executive functions, and specifically adopts the delegations and Terms of Reference in "Governance 2:Appendix 1" thereof as the basis for completing the Final Deal Agreement and Acceptance of the Grant Funding Letter with the UK and Welsh Governments.**
- **Formally endorses, and recommends that Full Council authorises the accountable body, Gwynedd Council, to sign the Grant Funding Offer letter on behalf of the Partners.**
- **Formally endorses, and recommends that Full Council approves the method used to calculate the cost of borrowing notionally required to facilitate the negative cash flow for the Growth Deal, and to include a provision within the Council's**

**budget to pay this contribution and the established core and supplementary contributions as set out in GA2 (and in paragraphs 2.5 – 2.7 of the report).**

- **Grants delegated authority to the Chief Executive in consultation with the Leader, Monitoring Officer and Section 151 Officer to agree minor changes to the documents with the Partners as necessary to complete the agreement.**

## **12. CYNGOR SIR YNYS MON AND BETSI CADWALADR UNIVERSITY HEALTH BOARD SHARED SERVICE DELIVERY (POOLED BUDGET) PILOT – LEARNING DISABILITIES**

*Due to the Leader having another commitment, Councillor Ieuan Williams, the Vice-Chair took the Chair for this and the subsequent item.*

The report of the Interim Head of Adults' Services which sought the Executive's approval to enter into a pooled fund pilot with the Betsi Cadwaladr University Health Board for the supported living budget for adults with learning disabilities resident in Anglesey was presented.

The Interim Head of Adults' Services outlined the background by stating that the Council is a key partner in both the North Wales Learning Disability Strategy and the North Wales Together – Seamless Service for people with learning disabilities. Approving the proposed pilot will enable the Council to make a significant contribution to the successful achievement of key performance measures for the North Wales Together Learning Disability Transformation Programme the foundation of which is the Learning Disability Strategy. Pooled funds are a mechanism to enable greater integration of health and social care support and are viewed as being particularly effective for population groups with complex needs. The current mechanism for securing joint health and social care funding for adults with learning disabilities involves two processes which are not well aligned. The rationale for piloting a pooled fund is to test and evaluate whether integrating these processes leads to better quality services and outcomes for individuals whilst also improving the efficiency and effectiveness of service delivery.

With regard to the operational implications of the proposed pilot, the Officer advised that the pooled fund would be underpinned by a statutory Section 33 agreement outlining joint responsibilities, management structures, performance and quality assurance measures, financial and project governance structures. The first stage of the pilot will pool the existing financial commitments of both agencies for supported living for adults with learning disabilities resident in Anglesey – currently 36 cases. The current total spend for both BCUHB and the Council is £3,166,201.87 split as £1,346,723.81 to Health and £1,819,478.06 to the Authority. The North Wales Together Transformation Programme will allocate a financial contribution to the pooled fund once the pilot is operational to support the initial stages of delivery. Although the financial implications for the Council and BCUHB will not increase as a result of the pilot, there may be a requirements to contribute to annual supported living uplifts and uplifts in health care support needs for individuals as would be the case regardless of the pilot. The pooled fund will be held and managed by the Isle of Anglesey County Council on behalf of the partners and the Service Manager for Learning Disability and Mental Health will become the pooled fund manager responsible for the effective utilisation of the agreed pooled fund in line with the Section 33 agreement.

Once signed the agreement will remain in place for one calendar year at which stage it will be subject to a strategic and financial review by a Partnership Management Board which is to be established for the pilot.

Councillor G.O.Jones, Chair of the Partnership and Regeneration Scrutiny Committee provided feedback from the Committee's 10 November, 2020 meeting which had considered the proposal and said that the Committee had received a presentation by the Interim Head of Adults' Services on the aims of the pilot project and the objectives of introducing a pooled fund. The legislative background was explained to the Committee and the governance arrangements were outlined. The Committee noted that the project had been risk analysed and that it would be subject to an annual review process by a Partnership Management Board. The Committee had raised questions about the added value which entering into the pilot would generate and whether it would impact on the services which the 36 individuals to whom the pilot will apply currently receive. The Committee had further sought to ascertain whether there were any similar pooled funding initiatives currently in effect in Wales and/or England and whether they are successful. Having received assurances on all matters raised the Committee had determined to recommend the proposed pooled fund project to the Executive.

Noting the views of Scrutiny, the Executive was supportive of the proposal.

**It was resolved –**

- **To accept and to note the content of the draft Cyngor Sir Ynys Môn and Betsi Cadwaladr University Health Board Shared Service Delivery/ Pooled Budget Pilot-Learning Disabilities.**
- **To approve the piloting of a pooled fund between Cyngor Sir Ynys Môn and Betsi Cadwaladr University Health Board in a staged approach for the existing supported living budget for adults with learning disabilities resident in Anglesey who are currently jointly funded. This is for agreement of phase 1 sign off initially.**
- **That the IOACC Legal Department provide an independent view aligned to the S33 agreement.**
- **To delegate to the Monitoring Officer the right to complete the section 33 agreement and to the Section 151 Officer the right to agree with BCUHB the financial arrangements to ensure the funds are properly and effectively managed.**

### **13. AMENDING THE CONSTITUTIONAL PROCESS IN RELATION TO THE SETTING OF THE COUNCIL'S BUDGET**

The report of the Director of Function (Council Business)/Monitoring Officer with regard to amending the Constitutional process in relation to the setting of the Council's budget was presented for the Executive's consideration.

The Portfolio Member for Council Business reported that it is proposed that the Council be asked to agree to amend the Constitution so that there is flexibility built into the constitutional timetable with regard to the budget setting process. The request is made following confirmation that the provisional and final Local Government settlement for 2021/22 will again be announced late as it was in 2020/21. Then, Council agreed to suspend paragraph 4.3.2.2.8 of the Constitution to allow the Corporate Scrutiny Committee to consider the Executive's initial budget proposals less than two weeks before the annual budget was adopted by the Council on 10 March, 2020. The delayed announcement of the settlement means that the budget setting process will again need to be revised for setting the 2021/22 budget as it will not be practically possible to follow the timetable included in the Council's Constitution. Amending the Constitution so that there is flexibility built into the constitutional timetable means that this flexibility is then available should the Council have to adapt the budget setting process for reasons outside its control as in 2020/21, as will be required for 2021/22, and should a similar situation arise in future years.

It was resolved to recommend that Full Council agree that –

- **The Council's Constitution be amended as noted in the table in paragraph 9 of the report, and**
- **The Monitoring Officer be given delegated authority to make any consequential amendments to the Constitution to reflect the amendments approved in the bullet point above.**

**Councillor Llinos Medi  
Chair**

DRAFT

## THE EXECUTIVE

### Minutes of the Virtual meeting held on 14 December 2020

- PRESENT:** Councillor Llinos M Huws (Chair)  
Councillor Ieuan Williams (Vice-Chair)
- Councillors R Dew, Carwyn Jones, R Meirion Jones, Alun Mummery, Bob 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 Head of Regulation and Economic Development,  
Head of Democratic Services,  
Commercial Leisure Manager (for item 6),  
Committee Officer (MEH).
- ALSO PRESENT:** Councillors Glyn Haynes, T LI Hughes MBE, Dafydd Roberts.
- APOLOGIES:** None

#### 1 DECLARATION OF INTEREST

Councillor Richard A Dew declared a personal and prejudicial interest in respect of Item 5 – Council Tax Premiums – Second Homes and Long-Term Empty Property (Review) and left the meeting during discussion and voting.

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

None received.

#### 3 THE EXECUTIVE'S FORWARD WORK PROGRAMME

The report of the Head of Democratic Services incorporating the Executive's Forward Work Programme for the period January to August, 2021 was presented for consideration and the following changes were noted:-

**Special Meeting of the Executive to be convened on 18 January, 2021 to finalise the Executive's final draft budget proposals for consultation.**

**Items re-scheduled**

**Item 22 – Introducing Galw Gofal – Care Connect** charges for Council Housing Tenants (scheduled to be discussed at the 22 March, 2021 meeting – to be confirmed)

**Item 4 – Anglesey Further Education Trust Annual Report and Accounts 2019/20** (scheduled to be discussed at the 25 January, 2021 meeting)

**Item 5 – Llangefni Golf Course** (rescheduled to be discussed from 25 January, 2021 to 15 February, 2021).

**It was resolved to confirm the Executive’s updated Forward Work Programme for the period January to August, 2021 as presented.**

#### **4 TREASURY MANAGEMENT MID-YEAR REVIEW 2020/21**

The report of the Director of Function (Resources)/Section 151 incorporating the Treasury Management Mid-Year Review Report was presented for the Executive’s consideration.

The Portfolio Member for Finance reported that the Treasury Management Mid-Year Review report is presented in accordance with regulations issued under the Local Government Act 2003 and with the Council’s Treasury Management Scheme of Delegation 2020/21 (Appendix 8 of the Treasury Management Strategy Statement 2020/21). The report refers to the Council’s capital expenditure position and compliance with prudential indicators and its investment and borrowing activity half-way through the financial year. In accordance with the Scheme of Delegation, the report was scrutinised by the Audit Committee at its meeting held on 1 December, 2020. The report will be presented to the Full Council taking into account any comments made thereon by the Executive.

The Director of Function (Resources)/Section 151 Officer highlighted the following –

- That the mid-year review report has been scrutinised by the Audit and Governance Committee and was accepted without additional comment by that Committee.
- There were concerns at the beginning of the financial year as regards to cash flow due to the Covid-19 pandemic and the effect on the Council’s ability to pay for services. The Council borrowed £10m in March from PWLB to assure that resources were available for the Council to function. However, due to financial support from Welsh Government the situation improved as WG supported the business grants and the RSG payment was afforded before the deadline. This has resulted in the Council holding balances of £50m which is above the limit approved within the Annual Investment Strategy included in the TMSS 2020/21. The Council has during the first half of the financial year afforded loans to other Local Authorities as noted within the report, as it is the most secure way of investing funds, ensure that the sums deposited in call accounts stayed within the limits set in the TMSS 2020/21 and give a greater rate of return than most bank call accounts. The current financial holding balance is £30m but the £10m borrowed in March 2020 will need to be repaid in March 2021.
- It is anticipated that the Council will need to borrow money to pay for new refuse collection vehicles as part of the new refuse collection contract in March 2021.
- The capital expenditure plans is lower as projects have not progress due to the pandemic;
- The Council complied with the limits and prudential indicators set out in the TMSS 2020/21.

**It was resolved to note the content of the report and to forward the report to the Full Council without further comment.**



## **5 COUNCIL TAX PREMIUMS - SECOND HOMES AND LONG-TERM EMPTY PROPERTY (REVIEW)**

The report of the Director of Function (Resources)/Section 151 Officer reviewing the operation of the Council Tax Premium on Second Homes and Long-Term Empty Properties was presented for the Executive's consideration.

The Portfolio Member for Finance reported that a decision was made to increase the higher amount of council tax (called a Council Tax premium) which would come into effect from 1 April 2019. From this date, the full Council agreed to set the Council Tax premium at 100% of the standard rate of council tax for long-term empty dwellings and at 35% for dwellings occupied periodically, usually known as second homes. He noted that during this year a number of properties has 'flipped' from being registered to pay council tax to business rates which results in the owners not having to pay any rates. The Council has written to Welsh Government to review the existing regulations of taxation in order to reduce the number of homes being registered for business rates but WG has disregarded the request as they considers that this is not an issue. The Portfolio Member for Finance also called for WG to use their powers and amend the land transaction tax to ensure that the level is higher for second homes and to consider a tourist tax as is in place in other parts of the world to draw funding to address the pressure on services within local authorities that sees their population increasing especially during the summer months. He further noted that self-catering facilities being eligible for Small Business Rate Relief often results in no contribution into the local authorities.

The Portfolio Member for Finance said that the decision of the Executive is not to increase the Council Tax Premium for Second Homes and Long-Term Empty Properties for the next financial year 2021/2022 but it is an intention to increase the premium for second homes to 50% from April 2022. He said that continued pressure needs to be put on Welsh Government to review the existing regulations and to introduce new methods of taxation in order to reduce the number of second homes on the Island and to provide additional funding to help support local projects aimed at helping the young people of Anglesey to be able to buy or rent their own home on the Island.

The Director of Function (Resources)/Section 151 Officer reported that the purpose of the report was to review the Council Tax premium since the full Council's last decision of 27 February, 2019 and also having regard to the impact of the Covid-19 pandemic on the Council's Council Tax base and movements from the Council Tax Valuation List to the Business Rating List and in particular for second homes/holiday lets. He said that there has been an increase in empty homes during the pandemic but this is a result of people unable to renovate/sell their properties. The number of second homes on the Island has stayed the same at a consistent level despite the fact that 221 properties have transferred to business rates and have been removed from the Council Tax Valuation List between April – October this year. He further said that the number of properties paying the standard Council Tax had fallen. Properties in Band C and above were becoming second homes but these loss in numbers were being partly offset by the Authority building social housing. However, the new properties tended to be in Bands A and B and this has resulted in an erosion of the standard council tax taxbase. The movement of properties from Council Tax to Business Rates has resulted in an estimated reduction of £700,000 in Council Tax revenue, although part of this sum relates to refunds paid back to taxpayers for any Council Tax paid relating to period after the effective date of transfer of the property. It was also said that following the increase from 25% to 35% on the premium for second homes has not resulted in a large number of people refusing to pay the increase with only a few appeals been dealt with nor had it resulted in an increase in arrears. During the Covid-19

pandemic there has been an increase in owners of second homes appealing that they are unable to come to their second homes and requesting an exemption from the premium for the period of the lockdown. The Council's view was that being unable to travel to their property was not a valid reason to grant an exemption and all appeals have been refused. This has been accepted by the vast majority and they have continued to pay the premium charged.

The Director of Function (Resources)/Section 151 Officer further reported that the Council approved a policy for implementation of two schemes to support first time buyers onto the housing ladder, to be funded from a proportion of the Council Tax Premium from both long term empty properties and second homes.

The Portfolio Member for Housing Services said that the two schemes referred to is a grant to help first time buyers to purchase and renovate an empty home and an equity loan to help first time buyers to afford a property. It is evident that the scheme has been successful as the demand surpassed the funding allocated by the Council and has seen young people being able to purchase a home in their local communities.

Members of the Executive reiterated the need to put pressure on Welsh Government to review the existing regulations and to introduce new methods of taxation to reduce the number of second homes on the Island which is causing the young people of Anglesey unable to afford a home in their own communities.

- **To note the content of the report reviewing the operation of the Council Tax Premium since the Isle of Anglesey County Council's decision on 27 February 2019 to increase the Council Tax premiums from 1 April, 2019 to 100% for long term empty property and 35% for second homes;**
- **To note the impact of the Covid-19 pandemic on the Council Tax base and Council Tax premiums;**
- **To continue to put pressure on Welsh Government to review the existing regulations and to introduce new methods of taxation in order to reduce the number of second homes on the Island and to provide additional funding to help support local projects aimed at helping the young people of Anglesey to be able to buy or rent their own home on the Island;**
- **To announce the intention to increase the premium on second homes to at least 50% from April 2022;**
- **That additional resources will be allocated to the Resources Function in order to ensure that all property owners who should pay the premium are identified and made to pay the tax in full;**
- **That the balance of the additional funding generated from increasing the premium will be directed towards schemes that will help local people to be able to afford to buy or rent a property on the Island;**
- **That the Council will undertake a full consultation on its intention to increase the premium on second homes to 50% and its additional schemes to help local people, with the residents of Anglesey, owners of second homes on the Island and operators of self-catering accommodation, between April and June 2021 with the final decision on the level of premium to be taken by the Executive in September 2021.**

## 6 SPORTS NORTH WALES - BUSINESS CASE

The report of the Interim Head of Regulation and Economic Development seeking support to the establishment of a Sport North Wales Partnership was presented for to the Executive's consideration.

The Portfolio Member for Major Projects and Economic Development said that this is the Business Case to create Sports North Wales Partnership. The vision for Sports North Wales has been developed through a new collaborative partnership that is made up of a number of well-established organisations who operate across the region and share a collective ambition to work together and to make significant change and impact which will benefit the people of North Wales.

The Commercial Leisure Manager reported that it is envisaged that Sports North Wales will be firmly established as an effective and robust regional body. Sports North Wales will add value and drive change in community commissioning and delivery by working closer with and within those communities. The Partnership will tackle health issues within local communities due to obesity and especially children of pre-school age. He noted that Conwy Council will be the lead Authority as regard to the Sports North Wales Partnership and the legal department of this Authority has been working closing as regards to the Business Case. He further said that a Welsh Language policy is to be established by the Sports North Wales Partnership but there is a risk that the policy is not in place at present.

The Executive supported the establishment of a Sports North Wales Partnership but expressed concerns that a Welsh Language policy needs to be in place and having Officers at present who are Welsh speaking does not secure the language requirement for future years.

- **To support, in principle, the establishment of a Sports North Wales Partnership;**
- **To afford delegated powers to the Director of Function (Council Business)/Monitoring Officer to complete the IAA in consultation with the Leader and Chief Executive and to bring the matter back to the Executive if there is any concern that the IAA will compromise the Council's Welsh language requirements.**

The meeting concluded at 11.15 am

**COUNCILLOR LLINOS M HUWS  
CHAIR**

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## THE EXECUTIVE

### Minutes of the extraordinary virtual meeting held on 17 December, 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 Education, Skills and Young People  
Director of Function (Resources)/Section 151 Officer  
Director of Function (Council Business)/Monitoring Officer  
Head of Profession (HR) and Transformation  
Head of Highways, Property and Waste  
Head of Democratic Services  
Programme, Business Planning and Performance Manager  
Architectural Services Manager (GWT)  
Principal Valuation Officer (TDE)  
Committee Officer (ATH)
- APOLOGIES:** None
- ALSO PRESENT:** Councillors Glyn Haynes, Kenneth Hughes, Trefor Ll. Hughes,  
MBE, Aled Morris Jones, G.O Jones, R. Llewelyn Jones, R.  
O. Jones, Dylan Rees, Interim Director of Social Services,  
Scrutiny Manager (AGD), Scrutiny Officer (SR),  
Communications Officer (GJ), Mr Gareth Wyn Williams (Local  
Democracy Reporter)

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The Chair extended a warm welcome to all those present at this extraordinary virtual meeting of the Executive and she asked everyone to introduce themselves.

#### 1. DECLARATION OF INTEREST

Councillor Richard Dew declared a personal and prejudicial interest with regard to items 4 and 6 on the agenda and withdrew from the meeting when those matters were considered.

Councillor R.G. Parry, OBE, FRAGS, declared a personal but not prejudicial interest with regard to item 6 on the agenda.

Mr Marc Jones, Director of Function (Resources)/Section 151 Officer declared a personal but not prejudicial interest with regard to item 3 on the agenda.

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

None to report.

## **3. SCHOOLS' MODERNISATION – LLANGEFNI AREA (YSGOL TALWRN AND YSGOL Y GRAIG)**

The report of the Director of Education, Skills and Young People with regard to the schools' modernisation programme in relation to the Llangefni area was presented for the Committee's consideration. The report set out the responses to the statutory consultation held in February/March 2020 on Ysgol Talwrn and Ysgol Y Graig and sought the Executive's approval for the preferred option which is to *increase the capacity of Ysgol Y Graig to take pupils from Ysgol Talwrn, close Ysgol Talwrn and review the catchment areas of Ysgol Y Graig and Ysgol Talwrn.*

The Portfolio Member for Education, Libraries, Culture and Youth introduced the report by saying that it deals with the Schools' Modernisation Programme as the programme applies to Ysgol Talwrn and Ysgol Y Graig and involves weighing and assessing the future of the two schools and the consequent impact on all the stakeholders, and in particular the children at both schools. He emphasised that their interests should be the predominant consideration in this matter. In acknowledging that modernising schools can be a contentious issue and that it is among the most challenging aspects of the Council's work, he said that he understood and appreciated parents' and others' concerns on this matter. The schools' modernisation programme sets the groundwork for the future of schools over the next 50 years at a time when they are under pressure from budgetary cuts, burdensome maintenance costs, meeting the requirements of the New Curriculum and several other factors as well as the impact of Covid. The Council has to seriously consider how the school system can be made more effective in the sense of creating the conditions under which teachers and pupils can succeed and also how it can be made more efficient in terms of making the best use of resources and ensuring that all schools receive their fair share of the budget. The Authority's other strategies to which the Schools' Modernisation Programme is linked include the 2019/20 Delivery Document, the Schools' Modernisation Strategy as revised and approved by the Executive in 2018 (with the current proposal forming part of Band B of the Strategy); the Corporate Asset Management Plan 2015-20; the Energy Strategy; the Joint Local Development Plan; the Welsh Language Strategy and the Medium Term Financial Plan.

Between 6 February and 20 March, 2020 Council officials undertook a statutory consultation on the future of the two schools in question. Officials were authorised to carry out the consultation after the Corporate Scrutiny Committee and the Executive considered the proposal paper in January, 2020. The consultation closed on the last day of school before the first lockdown period as a result of the global pandemic that transformed education provision for a time. The Portfolio Member said that it is important to note that the Council has received a letter from the School Organisation and Admissions Branch of Welsh Government confirming that Welsh Government Ministers were giving the Council an extension until March, 2021 to publish any proposal. The Council has operated in accordance with the School Organisation Code 2018 throughout the pandemic period.

The Portfolio Member referred to the key drivers for change contained within the Schools' Modernisation Strategy 2018 which include improving educational standards; improving leadership and management; ensuring that school buildings are fit for purpose; reducing the number of surplus places; reducing the overall cost of education and the variation in cost per pupil; maintaining and improving Welsh-medium provision and increasing the community use of school buildings.

In concluding his introduction to the report, the Portfolio Member for Education said that he wished to take this opportunity to thank all those who had taken part in the consultation process

The Director of Education, Skills and Young People highlighted the main points of the report and said that a statutory consultation process was held between 6 February and 20 March, 2020 on the proposal to increase the capacity of Ysgol Y Graig to accommodate pupils from Ysgol Talwrn, close Ysgol Talwrn and review the catchment areas of Ysgol Talwrn and Ysgol Y Graig (namely the original proposal). He confirmed that in light of all the consultation responses and impact assessments this proposal is considered the most appropriate way forward and is the option that is being recommended to the Executive. He explained that as part of the consultation process a number of other alternative options were considered an analysis of which is provided at section 6 of the report. The Council received 57 online responses and 10 responses in the form of letters and e-mails with both individuals and community organisations responding to the consultation (summary provided at section 5 of the written report). As part of the process other educational models were received (section 6.4 of the report refers) and these were assessed by officers against the criteria and drivers of the current Schools' Modernisation Strategy. After considering all the alternatives and following a comprehensive analysis of their strengths and weaknesses against the drivers of the Schools' Modernisation Strategy, the original proposal is considered the most appropriate way forward because it meets both the key challenges faced by Ysgol Talwrn and Ysgol Y Graig and satisfies the key drivers for change set out in the Strategy in the following way –

- Standards across all schools must be at least good or excellent and would be expected to be in the green category needing the lowest level of support. The new expanded school would be in a position to maintain the Estyn grade and retain the green categorisation in the medium to long-term.
- Leadership and management must be good or better in all schools. Head teachers need sufficient non-contact time to balance leadership and management challenges with teaching commitments. At the new expanded Ysgol Y Graig it is envisaged that the Head teacher would have no teaching commitment. It would be possible to build and further develop a senior management team, which could improve leadership and management.
- The school building needs to provide an inspiring learning environment that will encourage all pupils to achieve their potential across all areas of learning and must comply with the Equality Act 2010 in term of accessibility. A new 21<sup>st</sup> century low maintenance building will be designed to BREEM specifications and will be fully compliant with the Equality Act, 2010. The current and projected maintenance costs of both schools of £408,500 would be written off.
- Sufficient school places need to be available in the area to meet current demand, future forecast numbers as well as reduce surplus places. Pupil movement from within and outside the catchment area needs to be reduced. The proposal addresses the need to provide sufficient places at Ysgol y Graig as well as enabling pupils from Ysgol Talwrn to be taught in classes where the age range is smaller. Fewer pupils will move between catchment areas.
- Any revised school provision in the area needs to be cost efficient and needs also to reduce the variation in cost per pupil across individual schools. The projected cost per pupil at the new expanded school at £3,436 (based on the 2019/20 budget) would eliminate the variation in cost per pupil between Ysgol Talwrn (£4,553) and Ysgol Y Graig (£3,429) and is lower than the average for Anglesey primary schools (£3,988). The proposal incurs an additional revenue cost of approximately £33k per annum, (details provided in section 7) but eliminates current and projected maintenance costs of £408,500 which it would cost the Council £32,000 per annum to fund through an

unsupported loan over a 20 year period. It can therefore be concluded that the proposal is close to cost neutral.

- At the very least, the existing good Welsh medium provision would be maintained.
- The wider community would continue to benefit from the use of the newly expanded school building.

The Officer reported further that impact assessments in relation to the Equality Act, Language, Community and the Well-being of Future Generations (Wales) Act 2015 were conducted and are appended to the consultation report. The number of responses to the impact assessment question provides 95% certainty that the response is correct and matches the feelings of the rest of the consultation respondents. A 95% confidence level means that if the survey was conducted 100 times, the same results would be provided 95% of the time. The Impact Assessment remains a live document and has been updated to include stakeholder comments received during the statutory consultation period; it will continue to be regularly updated throughout the development period so that should another risk/issue arise, the Council in partnership with the local community can put in place mitigation measures to overcome the risk or issue that arises. This arrangement will operate throughout the development phase and will be accountable to the Corporate Programme Board for Services Transformation.

The cost of building the proposed new provision is estimated at approximately £6m. Subject to approval, it will be funded by a Welsh Government contribution of 65% through the 21<sup>st</sup> Century School Band B programme and a contribution of 35% by the Isle of Anglesey County Council.

The Director of Education, Skills and Young People said that in conclusion therefore it is recommended that the capacity of Ysgol Y Graig be increased to take pupils from Ysgol Talwrn, that Ysgol Talwrn be closed and that the catchment areas of Ysgol Talwrn and Ysgol Y Graig be reviewed.

Upon the Chair's invitation, Councillor Aled Morris Jones, Chair of the Corporate Scrutiny Committee reported from the Committee's 10 December, 2020 meeting which considered the consultation report and recommended proposal. Councillor Jones said that the Committee had heard from Mr Robat Idris Davies who had made representations on behalf of Ysgol Talwrn and the community to keep the school open on the basis that it is a happy and contented school that is doing well educationally and is highly valued by its community. The Portfolio Member for Education and the Director of Education, Skills and Young People had made the case for change citing the number of pupils at Ysgol Talwrn, the time limitations on Welsh Government 21<sup>st</sup> Century Schools grant funding and the enhanced educational opportunities and provision that would be available to pupils from Ysgol Talwrn at the new extended Ysgol Y Graig among the reasons for the preferred option. Concerns were raised about the future of the Cylch Meithrin provision and the local Eisteddfod should Ysgol Talwrn close. The Committee debated the matter at length and two proposals were put forward, the one to federalise Ysgol Talwrn with Ysgol Y Graig or Ysgol Corn Hir and the other to support the recommended proposal i.e. to extend Ysgol Y Graig to accommodate pupils from Ysgol Talwrn, close Ysgol Talwrn and review the catchment areas of both schools; the latter was carried by a majority vote and a recommendation to that effect was made to the Executive. Although a query was raised about the process going forward with a further lockdown confirmed for the New Year the Committee was assured that the process would not be affected.

The Programme, Business Planning and Performance Manager clarified that at the time of the first lockdown in March 2020 when schools were closed, Welsh Government issued additional guidance for local authorities going through the school organisation process which introduced minor changes in the expectations in relation to consultation. The guidance was effective up until 25 July since when schools have re-opened and no further changes have been made. According to the guidance received, the School



Organisation Code 2018 continues to be effective and is the guidance the Authority has been observing. It is important to note that should the recommended proposal be approved, the next stage of the process involves issuing a statutory notice in the New Year after which a 28 day period for the receipt of objections will ensue; this does not involve consultation and is not a consultation period. In response to a request by Councillor Alun Mummery, the Officer further clarified that the process requires the Authority to publish a statutory notice both on the Council's website and at the school and to ensure that partners and statutory bodies are aware of its publication. The 28 day period provides an opportunity to submit objections to the proposal after which the Authority is expected to prepare an objection report (if any have been received) for submission to the Executive.

In the ensuing discussion, members of the Executive responded as follows –

Councillor Robin Williams requested that in the interests of clarification and having received a number of queries from stakeholders at Ysgol Talwrn on the matter, the Officers provide an overview of the position at Ysgol Talwrn in terms of pupil numbers and capacity. The Programme, Business Planning and Performance Manager advised that for the purpose of consultation, pupil numbers are considered based on a period of years looking back to 2015 and projecting forwards to 2024 so as to establish trends and patterns of movement. It has become apparent that during the period 2015 to 2020 the number of pupils at Ysgol Talwrn has decreased from 44 in 2015 to 40 in 2020 against a total school capacity of 49 pupils. This decline in numbers is forecast to continue in 2022 and 2023 to a projected 27 pupils in 2023. Based on data provided by the Learning Service's SIMS information management system, there are currently 36 pupils at Ysgol Talwrn which means that the level of empty places at the school is around 27%.

Councillor R.G.Parry, OBE, FRAGS, who was also a Local Member said that he had been surprised by the statistics especially with regard to the number of children from Talwrn attending schools elsewhere and that he was also concerned by the lack of green space at the school. He acknowledged that although closing a school is a matter of sadness the best interests of all children have to be considered. Having seen the three new schools which the Schools' Modernisation Programme has created on the Island thus far and the advantages they are able to offer he was very supportive of the programme.

Councillor Ieuan Williams, Vice-Chair echoed those sentiments believing that the Authority's education system needs schools that are fit for purpose and are inspiring in terms of teaching and learning. The learning environment provided by the three new schools on the Island differs greatly to that found in some of the older schools which form part of the Authority's schools estate. Additionally, the impact assessment in relation to the Welsh language is positive indicating that the language will be in a better place in moving forward with the recommended plans.

Councillor Richard Dew highlighted that the Schools' Modernisation Programme has now been in effect for a number of years and that the new schools built under its auspices have been welcomed by parents many of whom were originally opposed to their creation. The programme means that some of the Authority's smaller schools have had to close which naturally has been met with some opposition just as decisions have been supported. Although today's decision is a difficult one to make it is important that the programme is taken forwards.

Councillor Alun Mummery referred to the e-mail messages that he had received noting that they raised no new matters. Councillor R. Meirion Jones, Portfolio Member for Education said that he had forwarded the messages that had been sent to him to the Director of Education, Skills, and Young People who confirmed that they did not raise any issues that had not been considered already.

Councillor Dafydd Rhys Thomas referred to the new Ysgol Cybi which is now the subject of praise whereas originally there had been local objections to the school.

Councillor Carwyn Jones in referring to the debate at the Corporate Scrutiny Committee which had raised the possibility of federalisation, asked the Director of Education, Skills and Young People to clarify why this option is not supported for the two schools in question. The Director of Education, Skills and Young People advised that each and every case to change the organisational arrangement of schools has to be considered individually; every situation is different and the unique factors that pertain to each have to be taken into account. Although federalisation as an option has been implemented in Anglesey it was done so in different circumstances to those in this case. Professionally he did not consider federalisation to be the most effective way forward in the current situation – the recommended proposal as well as making more sense, offers more effective provision for the children and young people. Federalisation brings with it a number of additional challenges including for the Head Teacher and, taking all the considerations together, the recommended option is more feasible in terms of meeting the requirements and ensuring a prosperous future for the children and young people concerned.

In concluding remarks the Portfolio Member for Education, Libraries, Skills and Young People spoke of the many factors involved in reconfiguring schools as part of the modernisation programme and acknowledged that a proposal of closure is a very difficult proposition. The pupil numbers at Ysgol Talwrn reflect a situation whereby a number of pupils from the village attend schools elsewhere whilst a number of pupils at the school come from outside the catchment area. Whilst the Learning Service can contribute to the community, ensuring its ongoing viability is not the Service's responsibility. This matter has been long in the consideration and has been the subject of in-depth scrutiny; with this in mind he proposed the recommendation of the report. The Executive having considered the information presented as well as the feedback and recommendation from Scrutiny, supported the proposal.

**It was resolved –**

- **To approve the proposal to increase the capacity of Ysgol Y Graig to take pupils from Ysgol Talwrn, close Ysgol Talwrn and review the catchment areas of Ysgol Y Graig and Ysgol Talwrn.**
- **To authorise Officers to move to the next part of the process set out in the School Organisation Code 2018 and issue a statutory notice for a period of 28 days early in the New Year.**
- **To authorise Officers to undertake responses to the statutory notice producing an objection report (if any) for the purpose of further consideration by the Executive in the New Year.**
- **To authorise Officers to re-publish the Impact Assessment on the proposal as part of the ongoing impact assessment of the proposal on equality, the Welsh language and the community.**

#### **4. SCHOOLS' MODERNISATION – LLANGEFNI AREA (YSGOL BODFFORDD AND YSGOL CORN HIR)**

The report of the Director of Education, Skills and Young People with regard to the schools' modernisation programme in relation to the Llangefni area was presented for the Committee's consideration. The report set out the responses to the statutory consultation held in February/March 2020 on Ysgol Corn Hir and Ysgol Bodffordd and sought the Executive's approval for the other reasonable alternative which is *to build a new school for Ysgol Corn Hir and leave Ysgol Bodffordd as it is* as the most appropriate way forward with regard to the two schools.

*Having declared a prejudicial interest in both this and item 6 on the agenda, Councillor Richard Dew now withdrew and was not present for the remainder of the meeting.*

The Portfolio Member for Education, Libraries, Culture and Youth introduced the report by saying that the Schools' Modernisation Programme in this case involves weighing and assessing the future of Ysgol Corn Hir and Ysgol Bodffordd and the consequent impact on all the stakeholders, especially the children at the two schools whose interests and well-being should be the predominant consideration. He reiterated that modernising schools can be a contentious issue and is among the most challenging aspects of the Council's work and that he fully understood parents' and others' concerns in relation to this matter. The schools' modernisation programme sets the groundwork for the future of schools over the next 50 years at a time when they are under pressure from budgetary cuts, burdensome maintenance costs and meeting the requirements of the New Curriculum as well as the impact of Covid. The Council has to consider how the school system can be made more effective in the sense of creating the conditions under which teachers and pupils can flourish and also how it can be made more efficient in terms of making the best use of resources and ensuring that all schools receive their fair share of the budget. The Portfolio Member referred to the Council's major strategies and plans to which the Schools Modernisation Strategy 2018 is linked.

Between 6 February and 20 March, 2020 a statutory consultation on the future of Ysgol Corn Hir and Ysgol Bodffordd was held. Officials were authorised to carry out the consultation after the Corporate Scrutiny Committee and the Executive considered the proposal paper in January, 2020. The consultation closed on the last day of school before the first lockdown period as a result of the global pandemic that transformed education provision for a time. It should be noted that the Council has received a letter from the School Organisation and Admissions Branch of Welsh Government confirming that Welsh Government Ministers are giving the Council an extension until March, 2021 to publish any proposal. The Council has operated in accordance with the School Organisation Code 2018 throughout the pandemic period.

The Portfolio Member referred to the key drivers for change as set out in the Schools' Modernisation Strategy 2018 which include improving educational standards; improving leadership and management; ensuring that school buildings are fit for purpose; reducing the number of surplus places (in the case of the Llangefni area ensuring sufficient capacity); reducing the overall cost of education and the variation in cost per pupil; maintaining and improving Welsh-medium provision and increasing the community use of school buildings.

As previously, the Portfolio Member thanked all those who had taken part in the consultation process.

The Director of Education, Skills and Young People highlighted the main points of the report and said that a statutory consultation was held between 6 February and 20 March, 2020 which considered a number of proposals (examples provided in the written report) including the Council's original proposal for the two schools which was *to re-locate and extend Ysgol Corn Hir to a different site to accommodate pupils from Ysgol Bodffordd, close Ysgol Bodffordd and review the catchment areas of Ysgol Bodffordd and Ysgol Corn Hir*. Following the statutory consultation the proposal that is being recommended to the Executive is the other reasonable alternative which is *to build a new school for Ysgol Corn Hir and leave Ysgol Bodffordd as it is*.

There were 823 online responses and paper responses to the consultation. Responses were received from staff, parents, governors and children at both schools as well as from individuals and organisations (summary provided at section 5 of the written report). The significant feedback from the majority of stakeholders associated with the two schools confirmed acceptance of the original proposal with regard to the need for a new school for Ysgol Corn Hir but questioned why this should be at the expense of Ysgol Bodffordd. As

part of the process, other educational models were put forward and were assessed by officers against the criteria and drivers of the current Schools' Modernisation Strategy (section 6.4 of the report refers). After considering all the alternatives and following a comprehensive analysis of their strengths and weaknesses against the drivers of the Schools' Modernisation Strategy, the other reasonable alternative proposed by stakeholders is considered to be the most appropriate way forward because it meets most of the key challenges faced by Ysgol Bodffordd. This would equate to a partial implementation of the original proposal i.e. a new building would be provided for Ysgol Corn Hir, but Ysgol Bodffordd would not close and its pupils would not be moved to the new school building. The proposal has changed for the following reasons -

- Standards at Ysgol Bodffordd – Ysgol Bodffordd has improved in terms of its category moving upwards from Amber in 2015 to Yellow (B) in 2019.
- Curriculum Delivery – Ysgol Bodffordd is in a strong position to collaborate with other schools in the local area to deliver the curriculum.
- The Welsh language – with 60 pupils at Ysgol Bodffordd (85%) and 138 pupils at Ysgol Corn Hir (61%) speaking Welsh at home (PLASC 2019) Ysgol Bodffordd and Ysgol Corn Hir have the potential to sustain and further develop the existing Welsh-medium provision.
- Capacity – the other reasonable alternative meets the capacity needs under consideration as part of the original proposal and therefore meets the expected future increase in pupil numbers.
- Travel arrangements – the other reasonable alternative is unlikely to change pupils' current travel arrangements. Pupils from Bodffordd, who at present walk or cycle to school are likely to be able to continue to do so without probable changes to the carbon footprint.
- Bodffordd Community Centre – there will be no changes. As a result, the community centre at Ysgol Bodffordd can continue to be used as at present.
- The School Organisation Code 2018 – Ysgol Bodffordd is identified in the Code as a Rural School, and as a result the Council has followed a more detailed set of procedures and requirements in formulating the other reasonable alternative. (The Code does however note that a presumption in favour of rural schools does not mean that a rural school will never close).

The Officer referred to the impact assessments that were conducted with regard to the Equality Act, Language, Community and the Well-being of Future Generations (Wales) Act 2015 the outcome of which is set out in the appendix to the consultation report. The number of responses to the impact assessment question provides 95% certainty that the response is correct and matches the feelings of the rest of the consultation respondents. A 95% confidence level means that if the survey was conducted 100 times, the same results would be provided 95% of the time. The Impact Assessment is a live document and has been updated to include stakeholder comments received during the statutory consultation period; the current assessment includes an assessment relating to the new proposal recommended for implementation. The Impact Assessment will continue to be regularly updated throughout the development period so that should another risk/issue arise, the Council in partnership with the local community can put in place mitigation measures to overcome the risk or issue that arises. This arrangement will operate throughout the development phase and will be accountable to the Corporate Programme Board for Services Transformation.

The cost of building a new school for Ysgol Corn Hir is estimated to be approximately £9m to £10m. Subject to approval, it will be funded by a Welsh Government contribution of 50% through the 21<sup>st</sup> Century School Band A programme with the Isle of Anglesey County Council contributing the other 50%.

The Director of Education, Skills and Young People said in conclusion therefore that it is recommended that a new school is built for Ysgol Corn Hir and that Ysgol Bodffordd is left as it is.

On the Chair's invitation, Councillor Aled Morris Jones, Chair of the Corporate Scrutiny Committee reported from the Committee's meeting earlier in the afternoon which had considered the consultation report and the recommended proposal. The Committee received representations from Mr Dafydd Jones, Chair of the Governing Body of Ysgol Corn Hir and from Mr Gareth Parry, member of the Governing Body of Ysgol Bodffordd and was thankful to both for their input. The Committee heard about the lack of space and its impact on the learning and teaching environment at Ysgol Corn Hir and noted that the school is currently 17% over capacity. The Committee further noted the availability of Welsh Government grant funding under the 21<sup>st</sup> Century Schools Programme and the opportunity this presented to have a modern fit for purpose school for Ysgol Corn Hir which was widely supported by the community. The Committee noted also the strong stakeholder support for keeping Ysgol Bodffordd open as well as the reasons why this was now being proposed. The Committee was unanimous in its support for the other reasonable alternative put forward and recommended its approval by the Executive.

The Chair thanked Scrutiny for its work with regard to both the matter under consideration and the previous matter, and in particular for bringing a different perspective and robust challenge to the debate, sentiments which were echoed by the Executive as a whole.

There was consensus among the Executive's members about the importance of bringing in modern facilities to the Authority's school stock which provide the right learning environment, resources and space to meet future requirements including those of the new curriculum. As important is the need to have in place a sustainable and cost effective education system that meet the needs of pupils equally. In considering the other reasonable alternative as presented and what it entails in terms of ensuring quality and standards of education at both Ysgol Corn Hir and Ysgol Bodffordd as well as the reasons for the change of proposal, and having noted the feedback and recommendation from Scrutiny, the Executive was satisfied, and was agreed that the other reasonable alternative as recommended represents the most appropriate way forward in this case.

**It was resolved –**

- **To approve the proposal to build a new school for Ysgol Corn Hir and leave Ysgol Bodffordd as it is.**
- **To authorise Officers to implement the decision as soon as possible and to note that its implementation is outside the expectations of the School Organisation Code (011/2018).**
- **To authorise Officers to re-publish the Impact Assessment on the proposal as part of assessing the proposal's ongoing impact on equality, the Welsh language and the community.**

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

**It was considered and 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 involves the disclosure of exempt information as defined in Schedule 12A of the said Act and in the Public Interest Test as presented.**

**6. SUBJECT TO THE DECISION ON ITEM 4 – YSGOL BODFFORDD AND YSGOL CORN HIR, TO SEEK EXECUTIVE AUTHORITY TO PURCHASE LAND FOR THE DEVELOPMENT OF A NEW YSGOL GYNRADD CORN HIR, LLANGFNÍ**

The report of the Head of Highways, Waste and Property with regard to the acquisition of land for the construction of a new primary school for Ysgol Corn Hir, Llangefni was presented for the Executive's consideration.

The Executive was apprised of the multi-departmental site selection process which led to the identification of a suitable site for the development of a new Ysgol Gynradd Corn Hir, Llangefni. Outline information regarding the preferred location was presented as were the terms of the proposed acquisition of the land with assurance provided that the process had been conducted under the advice and guidance of the Council's Principal Evaluation Officer. Having noted the information presented and the reasons why the option was considered preferable to an alternative course, the Executive was satisfied that the option as recommended represents the best way forward.

**It was resolved to approve the recommendation of the report with regard to the purchase of land to construct a new primary school.**

**Councillor Llinos Medi  
Chair**

DRAFT

## CORPORATE PARENTING PANEL

### Minutes of the virtual meeting held on 8 December, 2020

- PRESENT:** Mrs Annwen Morgan (Chief Executive) (Chair)
- Councillor Llinos Medi (Leader & Portfolio Member for Social Services)  
Councillor Alun Mummery (Portfolio Member for Housing and Supporting Communities)  
Councillor R. Meirion Jones (Portfolio Member for Education, Libraries, Culture and Youth)  
Councillor Margaret M. Roberts (Partnership and Regeneration Scrutiny Committee)  
Councillor Richard Griffiths (Corporate Scrutiny Committee)  
Barbara Jones (Anglesey Foster Carers' Association)  
Janw Hughes Evans (Head of Nursing - Children's Services) (BCUHB)  
Fôn Roberts (Interim Director of Social Services)  
Rhys Hughes (Director of Education, Skills and Young People)  
Huw Owen (Independent Reviewing Officer)  
Gwyneth Hughes (Senior Education Well-being Manager)  
Keith Walters (Child Placement Team Manager)  
Saul Ainsworth (Interim Service Manager – Safeguarding)  
Melanie Jones (Integrated Manager – Children's Services)  
Heulwen Owen (Looked After Children Education Liaison Officer)  
Llinos Edwards (Looked After Children's Nurse)  
Llinos Williams (Housing Services Manager)  
Marion Pryor (Head of Audit and Risk (For Item 5))  
Nanette Williams (Principal Internal Auditor) (for item 5)  
Ann Holmes (Committee Officer)
- APOLOGIES:** Dawn Owen (Independent Reviewing Officer) Liz Fletcher (BCUHB)
- 

The Chair welcomed all those present to this first virtual meeting of the Corporate Parenting Panel and everyone introduced themselves. Meetings of the Panel had been paused during the Covid-19 emergency but the intention was now to re-continue with the Panel's meetings in line with the Council's meetings schedule.

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

No declaration of interest was received.

#### **2 MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting of the Corporate Parenting Panel held on 9th December, 2019 were presented and were confirmed as correct.

Updates on matters arising from the Panel's last meeting were provided as follows -

- The Interim Director of Social Services confirmed that significant progress had been made on updating assessments since the previous meeting of the Panel and that of the 99 children whose assessments were reported as not current only 11 are now

outstanding and work on these is planned over the Christmas period. The Service is also aiming to update policy and guidance with regard to the frequency of assessments with a view to bringing a draft policy to the Panel's March 2021 meeting.

**The Panel welcomed the information and the progress made and noted that it would be provided with an updated draft policy and guidance at the next meeting.**

- That with regard to the Learning and Children and Families' Services taking a joint approach to presenting information about the educational attainments of children who are looked after, it was confirmed and **was noted by the Panel** that the report under item 7 on the agenda represents the first collaborative report in relation to the educational achievements of looked after pupils in Anglesey based on data drawn from the 2019/20 academic year.
- That with regard to how information is shared between Health and Children and Families' Services and whether it is supported by a formal process, Janw Hughes Evans, BCUHB who was standing in for Liz Fletcher BCUHB at this meeting of the Panel confirmed that she would take the matter back to Liz Fletcher to update the Panel at the next meeting.
- That with regard to inviting the Adoption Service to a meeting of the Panel, the Interim Director of Social Services confirmed that he would schedule an invitation within the Panel's programme of meetings for the year.

### **3 SERVICE OPERATIONS DURING THE COVID-19 PANDEMIC**

The Interim Director of Social Services provided the Panel with a verbal report supported by a power point presentation on how Children and Families' Services had functioned during the pandemic and he highlighted the following –

- That with the onset of Covid-19, practice standards were reviewed and adapted to reflect social distancing requirements and related restrictions which meant that face to face social work was not possible
- All the children looked after by the Authority (totalling 154 at the time since increased to 161) come into care for a number of reasons including as subjects of a court order; they may be living with foster parents, with family and friends, with their parents or they may be cared for in a residential setting. They each have a Social Worker assigned to them and an Independent Reviewing Officer.
- Where appropriate, Social Worker contact was maintained during the period by digital means – Microsoft Teams, Skype, or text were utilised. Looked After Children statutory visits have continued to be held albeit differently because of social distancing requirements with some taking place in the garden. The changed circumstances have of necessity led to more creative practice.
- The Service has where appropriate, kept in contact with schools and also with colleagues in the Learning Service to ensure that all the Authority's looked after children were able to access laptops and the co-operation with Learning as well as with the Youth Service has been excellent. A register of vulnerable children was drawn up jointly with the Learning Service and this included looked after children placed at home with their parents.
- Age appropriate activity packs were prepared for the children in foster placements as a means of support for foster parents during this period. The Service has also made increased use of the St. David's Fund for care leavers to provide assistance for care leavers facing employment challenges for example and to purchase computer hardware.



- Reports on any issues arising from the statutory visits were prepared and made available on a monthly basis to the Interim Director of Social Services/Head of Children and Families' Services.
- Likewise the Fostering Team adapted its working practices to the changed circumstances with supervising Social Workers initially maintaining weekly contact with foster carers until such time as the foster carers felt comfortable with the new arrangements and the frequency of contact by agreement, was reduced. Support was provided to all foster carers regardless of whether they had a child/children placed with them at that time. In some instances and where required, one to one support was given for example to allay anxieties about Covid-19. Arrangements were made whereby foster carers could contact the Fostering Team with any queries the view being that the Authority had at its disposal the information and resources to be able to provide the appropriate guidance and response. Editions of the Foster Carers' Newsletter were issued with increased frequency to ensure clear and consistent messaging.
- Similarly the Child Placement Team Leader provided the Interim Director of Social Services/Head of Children and Families Services with a monthly report on any issues, concerns or pressure points arising.
- During this period also and despite the challenges of responding to Covid-19, the Service continued with planned developments including Cartrefi Clyd, utilising the training flat for care leavers, and collaborative work with Voices from Care Cymru. Work has also carried on with regard to updating policies and in relation to ensuring the stability of placements and of looked after children's education plans.
- The increase in the number of children becoming looked after during the period has been limited and below expectations. Neither has the increase been due to Covid-19 – most of the children who have come into care during this time would have come into care in any case regardless of the pandemic. CIW has noted that the increase in the number of looked after children in Wales has been modest and that the anticipated surge has not materialised because of efforts made by Children's Social Care Teams to keep children safe and at home. In Anglesey for example, the Resilient Families Team and the Team around the Family has continued to work throughout the period.

The Panel in thanking the Interim Director of Social Services for the update sought further information about progress with taking the Cartrefi Clyd programme forward and whether plans in this respect had been affected by Covid-19. The Panel also wanted to know whether any aspects of the new ways of working had worked well and would likely be retained in the new normal phase.

The Interim Director of Social Services confirmed that the first Cartref Clyd has been opened and has its first resident who is doing well. Whilst the pandemic did cause some delay with regard to moving residents into the second Cartref Clyd, that has since happened and the two children who were to be accommodated in the property have now moved in and are settling into their new home. Plans are being made for the third Cartref Clyd and in addition the resource to provide respite care for children with disabilities is scheduled to open in the New Year.

In terms of working practices the Interim Director of Social Services advised that with regard to interacting with the people whom the Service supports, remote contact cannot take the place of direct contact and that when conditions allow, social work practice will resume on a face to face basis. However, responding to the pandemic has shown the advantages of flexible and home working and has also shown that even though the bulk of assessment work may continue to be undertaken face to face post-Covid, some assessments can be successfully carried out virtually. Collaboration with colleagues from

other services and with partners has been excellent during the pandemic period and the Service will be looking to continue with this and to strengthening those relationships outside of and beyond the emergency situation. The Integrated Manager (Children's Services) said that the shift to digital platforms has made contributing to regional and all-Wales meetings easier which in turn means that Anglesey's voice is heard more strongly at national level and is a practice that hopefully will continue after the pandemic.

**The Panel agreed to note the update provided with regard to the conduct of Service operations during the pandemic and to thank the Interim Director of Social Services for the information.**

#### **NO PROPOSAL FOR ADDITIONAL ACTION WAS MADE**

#### **4 FOSTER CARERS' RECRUITMENT AND RETENTION**

The report of the Child Placement Team Manager outlining the steps that have been taken to strengthen Foster Carer recruitment and retention together with the outcome of this work was presented for the Panel's consideration. The report was supplemented by a short power point presentation summarising the main points.

The Child Placement Team Manager referred to the key considerations as follows –

- That in 2018/19 the Ynys Môn County Council Foster Carer recruitment and retention strategy was not effective in as much as it was not able to re-dress the imbalance of placements available and placements needed thereby creating a dependency on private sector foster carers. This is illustrated by the fact that only 3 mainstream fostering households were approved in 2018/19 even though 133 enquiries about fostering were received in that year.
- That although the number of enquiries reduced in the following two years (33 in 2019/20 and 20 in 2020/21 as of 26 October, 2020), the number of fostering approvals in both years was higher at 7 (now 8 for 2020/21 following the November meeting of the Fostering Panel). The main reason for this is that recruitment became much more targeted thereby producing better quality of enquiries leading to increased foster carer approvals.
- A key component of the positive change in foster carer recruitment has been the Core Offer which is a specific marketing incentive which was launched in January, 2019 to attract new foster carers. The scheme focuses on what the Local Authority is able to offer through the very nature of its business and makes available to the Authority's foster carer bespoke benefits consisting of a 50% Council Tax reduction; free Local Authority parking on the Island; free Local Authority leisure centre membership and 10% additional fostering allowance. The Core Offer has had an impact on the actual foster carers successfully recruited in the subsequent years.
- That the foster carer approval process from receipt of the application form through to ADM approval took on average 307 days or 10.1 months in 2019. The average range for an assessment was between 2.6 months and 17.1 months reflective of some anomalies which were due to very specific reasons. The timescale had reduced to 203 days for 2020 (January to October 2020) and there were no identified anomalies. The Service has already met and exceeded this financial year's target of completed assessments for 6 foster carer households having approved 8 as of November, 2020 with a further 6 active applications on the system. This success can be attributed to a number of reasons including the Core Offer.
- That additional assessment work is being carried out by both the internal Team and by private assessors with access to the latter making it possible to assess as soon as possible and as quickly as possible. The aim is to reduce the timescale for completing all future Form F assessments to within an average of 6 months.

- That in terms of the Fostering Panel's functionality, the Panel has adapted well to changed circumstances including meeting virtually and has also had to adjust to other changes - in its administrative support, the appointment of a new Chairperson and the retirement of two of its members.
- That in October, 2018, it was reported to the Corporate Parenting Panel that the Council had 23 foster carer households. This year the figure on the register has risen to 34 - an increase of 11 foster care households in two years. Considering that there have also been some retirements during this period, it is still a sharp increase in the two year period.
- The engagement of a Connected Persons Support Worker in June, 2020 has released qualified social workers from some of their supporting duties to focus on assessing and supervising the Authority's general foster carers. However the increase in the number of Connected Persons (from 19 in October 2018 to 24 today) as well as in the number of Foster Carers (from 42 in October 2018 to 58 in October, 2020) means that the workload continues to grow both in terms of the work around Connected Persons Fostering especially assessment, and in terms of the work around the retention (support, training and supervision) of General Foster Carers. It is considered that the solution to better managing the demands lies in splitting the Fostering Team into a Connected Persons Team and a General Fostering Team, a route already taken by two neighbouring authorities the rationale being that separating the Connected Persons work from the General Fostering work will reduce its impact on the recruitment and retention of General Foster Carers. The vision is to follow other examples of splitting the Fostering Team in order to be able to focus fully on recruiting and retaining the Authority's General Foster Carers in order to be able to meet future need which is predicted to be great.

The Panel thanked the Child Placement Team Manager for the information and in welcoming the progress made with recruiting foster carers queried what else could be done to further boost recruitment and whether new prospective foster carers were being drawn from across Anglesey bearing in mind the emphasis on caring for children within their communities.

The Child Placement Team Manager said that reallocating work within the Fostering Team has made a difference in terms of helping to focus on specific aspects and this will be looked at further in the coming year. He advised that the assessments carried out reflect applications from all parts of Anglesey. Four areas are noted in the table at Figure 2 of the report which provides a snapshot only and reflects the areas from which the six ongoing applications are derived and the stages these have reached at a specific point in time. The Interim Director of Social Services confirmed that the recruitment process is consistent across the Island and that further, word of mouth is one of the most effective means of recruitment.

The Leader and Portfolio Member for Social Services suggested that the Authority take advantage of the Christmas period to thank all its Foster Carers for the work they have done over what has been a difficult year for everyone. The Interim Director of Social Services assured the Panel that the Service does send a Christmas card annually to its Foster Carers with a competition being held for the children in the Authority's care to design the card. This year the card will be sent virtually. The Service also pays thanks to the Authority's Foster Carers in alternate editions of its Fostering Newsletter. The Interim Director of Social Services said that the Authority's Foster Carers have worked especially hard this year because as a result of Covid-19 restrictions and the limitations on social activities they have been providing care 24/7 for long periods. There are also plans in the offing with the support of grant funding to provide up to date technology for

the Authority's Foster Carers to help with communication and training with a view to shifting some of the support provision to a digital platform.

**The Panel agreed to accept the report and to note its contents.**

**ACTION: Annual Christmas card to the Authority's Foster Carers to be sent in the name of the Chair of the Council and the Head of Children and Families' Services.**

## **5 INTERNAL AUDIT – FUNCTION OF THE CORPORATE PARENTING PANEL**

The draft report of the Internal Audit Service on the outcome of an audit review of the Corporate Parenting Panel's function was presented for the Panel's consideration. The review sought to establish whether the Panel has in place adequate arrangements to support, oversee and facilitate the Council in fulfilling its corporate parenting responsibilities. The Panel was advised of the draft status of the audit report as presented to today's meeting which would need to be definitively agreed ahead of its finalisation.

The Principal Internal Auditor reported that the audit was undertaken at the request of the Chief Executive, Interim Director of Social Services and the Leader of the Council who is also the Portfolio Member for Social Services in order to look at the overall effectiveness of the Corporate Parenting Panel. The audit examined four key areas in relation to the Panel's governance arrangements, record-keeping, action tracking and risk management. Whilst the audit review resulted in a Reasonable assurance opinion and found that overall the Panel is operating effectively and has some good arrangements in place to help the Council discharge its corporate parenting responsibilities, it also identified improvements that could be made; these when implemented would take the Panel to the next level of effectiveness and are the kind of arrangements which when benchmarked against other corporate parenting panel models, are the arrangements which panels deemed excellent have in place. Five issues/risks have been raised, two of which due to the potential impact of the risk in this area, are classed as "Major." An action plan will be agreed with management (a draft action plan was appended to the report) to address the findings in the areas summarised below –

- Although the Panel is generally appropriately constituted, the Council has not formally revised the Panel's terms of reference document following changes to its remit in 2017. There is a risk that the Panel may lack clarity, focus attention incorrectly, or fail to fulfil a key element of its role if its terms of reference are not up to date.
- The Panel may also benefit from additional representation from senior leadership from the Learning and Housing services. There is a risk that their absence may inhibit the Panel's effectiveness in promoting and embedding a culture of inclusive responsibility for corporate parenting.
- The Panel does not currently have formal representation from the Authority's looked after children. As this is critical to its ongoing effectiveness, the Council has recognised this risk and is taking steps to address it.
- The Council needs to finalise and publish its Looked After Children and Care Leavers' Strategy including an articulated commitment or pledge to its looked after children and young people. It is understood that this is being addressed as part of the work of improving the participation of looked after children and young people referred to in the previous bullet point.
- The overall administrative and governance framework of the Corporate Parenting Panel could be improved by annual reporting to the Executive, forward work scheduling, cover reports and actions tracking. The Council may wish to consider the advantages of aligning the corporate parenting and the social services improvement panels more closely to take advantage of existing governance structures in this area.

The Interim Director of Social Services welcomed the report and confirmed that initial discussions to agree a response to and implement the action plan had taken place.

The Panel in considering the report and its findings which it also welcomed, recognised that the panel needs to be more directly engaged with the children and young people in the Authority's care whose interests and well-being it is tasked with promoting especially in terms of hearing their views and that the collaborative project with Voices from Care Cymru which it has supported, will help meet this need. Although constituted as a working party (no decision-making powers) of the Executive which receives its minutes for adoption, it was accepted that the reporting process could be improved to provide assurance, and that formally reporting to the Executive via an annual report would be effective in bringing key issues to the Executive's attention. The Panel in accepting the findings was confident that it has in place a basis from which to move forwards to successfully address the issues identified by the audit review and requested that it be provided with a report on progress in implementing the action plan for its next meeting in March, 2021.

**The Panel agreed to accept the audit review report findings and draft action plan.**

**ACTION: Interim Director of Social Services in consultation with Internal Audit to bring a progress update report on implementing the Audit Review Action Plan to the Panel's March, 2021 meeting.**

## **6 EXCLUSION OF 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 presented.**

## **7 LOOKED AFTER CHILDREN EDUCATION PROGRESS REPORT**

A joint report by the Senior Education Wellbeing Manager and the Looked After Children Education Liaison Officer charting the educational progress of looked after pupils on Anglesey for the 2019/20 educational year was presented for the Panel's consideration.

The Senior Education Wellbeing Manager guided the Panel through the report which provided data with regard to the following –

- The percentage of looked after pupils within the statutory education age (3-16 year old) in the 2019/20 educational year split in to primary and secondary cohorts.
- The attendance rate for looked after children which at primary level is good. A small percentage of looked after children in KS3 and KS4 have been identified as having difficulties engaging with education leading to a lower attendance rate.
- The type and nature of interventions used by schools to support pupils who find it hard to engage with education including the provision of individual support plans.
- The number of looked after children who receive their education in mainstream schools in other authorities because they are being cared for by private agency foster parents due to the unavailability of placements on the Island. A small percentage of children receive out of county care because of profound needs requiring specialist residential provision. A looked after children officer regularly communicates with the specialist out of county placement to ensure that the pupils are making appropriate educational progress in accordance with their age and ability. A termly report on the educational attainment of each out of county pupil in a

specialist placement is received and the views of the pupils are heard via the regular visits of the social worker.

- The percentage of looked after children who have an Additional Learning Needs and Inclusion Statement. A high proportion of looked after children have some form of additional learning needs which are in addition to the trauma of having been taken into care.
- The percentage of looked after children who achieved 5 GCSE qualifications or more in 2019/20 (which because of Covid-19 were based on institution assessment rather than examinations) and the number of looked after children who for the 2020/21 academic year have registered for KS5.

The Senior Education Wellbeing Manager referred to the progress tracking system introduced in 2019/20 to collect reports from schools with regard to all looked after children in order to monitor their educational progress. Although a step in the right direction in terms of identifying performance and progress, the system is an administrative burden and a more manageable system is required. The benefits of tracking progress are that the need for additional intervention can be identified, and therefore provided sooner, and the focus and use of the Looked After Children grant is directed to specific needs based on firm evidence.

The impact of Covid-19 has been felt in various ways with some looked after children thriving because the pressure of school life has been removed whilst older children have found the lockdown difficult and an obstruction to their freedom with consequent impact on their mental health and work experience opportunities. All looked after children now have access to a laptop to facilitate blended learning but for a substantial percentage of pupils, virtual learning is a challenge due to their additional learning needs.

The Panel thanked the Officer for the report and information and made points with regard to –

- The potential usefulness of the inclusion of Free School Meals data in the evaluation.
- The limitations of data reporting on its own and the need to use the information available to identify trends or gaps and to take additional steps where necessary to help looked after children achieve at school.

The Director of Education, Skills and Young People in confirming that collaboration between the Learning Service and Social Services is good, advised that drawing comparisons can be difficult especially as the circumstances have changed so much this year.

**The Panel agreed to accept the report and to note the information presented.**

**NO PROPOSAL FOR ADDITIONAL ACTION WAS MADE**

## **8 NEXT SCHEDULED MEETING**

The arrangements for the next scheduled meeting of the Panel at 10:00 a.m. on 21 March, 2021 were noted.

*In concluding the meeting, the Chair thanked all those involved in the care and support of the Authority's looked after children for their hard work during a very challenging year.*

**Annwen Morgan  
Chair**

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<b>Isle of Anglesey County Council</b>	
<b>Report to:</b>	<b>The Executive</b>
<b>Date:</b>	<b>25 January 2021</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>February – September 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>	

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

<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.

**F - Appendices:**

The Executive's Forward Work Programme: February – September 2021

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

# The Executive's Forward Work Programme

## Period: February – September 2021

Updated 14 January 2021



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 42 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: February – September 2021

Updated 14 January 2021

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>February 2021</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  15 February 2021	
2	<b>Housing Support Grant Commissioning Plan</b>	The Executive / Leader of the Council	Housing  Ned Michael Head of Housing Services  Cllr Alun W Mummery		The Executive  15 February 2021	
3	<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	Finance Scrutiny Panel (date to be confirmed)	The Executive  15 February 2021	
<b>March 2021</b>						
4	<b>Annual Equality Report 2019/20</b>  Approval of report.	Social Services Portfolio Holder	Council Business  Lynn Ball Director of Function – Council Business / Monitoring Officer  Cllr Llinos Medi	Partnership and Regeneration Scrutiny Committee 9 March 2021	Delegated decision  March 2021	

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5 <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 (date to be confirmed)	The Executive  1 March 2021	
6 <b>Capital 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 (date to be confirmed)	The Executive  1 March 2021	
7 <b>Housing Revenue Account 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 (date to be confirmed)	The Executive  1 March 2021	
8 <b>Treasury Management Strategy 2021/22</b>  Adoption of strategy for the new financial year.	The Executive / Leader of the Council	Resources	Marc Jones Director of Function – Resources / Section 151 Officer  Cllr Robin Wyn Williams	Finance Scrutiny Panel (date to be confirmed)	The Executive  1 March 2021	Council 9 March 2021

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## The Executive's Forward Work Programme

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9	<b>Charges for non-residential services 2021/22</b>  Approval.	The Executive / Leader of the Council	Adults' Services	Iola Richards Interim Head of Adults' Services  Cllr Llinos Medi	Finance Scrutiny Panel (date to be confirmed)	The Executive  1 March 2021	
10	<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	Finance Scrutiny Panel (date to be confirmed)	The Executive  1 March 2021	
11	<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	Finance Scrutiny Panel (date to be confirmed)	The Executive  1 March 2021	
12	<b>Housing Revenue Account (HRA) Business Plan</b>	The Executive / Leader of the Council	Housing	Ned Michael Head of Housing Services  Cllr Alun W Mummery	Finance Scrutiny Panel (date to be confirmed)	The Executive  1 March 2021	
13	<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 (date to be confirmed)  Corporate Scrutiny Ctee 16 February 2021	The Executive  1 March 2021	Council 9 March 2021

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### Period: February – September 2021

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14	<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	Finance Scrutiny Panel (13 November 2020)  Finance Scrutiny Panel (date to be confirmed)	The Executive  1 March 2021	Council 9 March 2021
15	<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 (date to be confirmed)  Corporate Scrutiny Committee 16 February 2021	The Executive  1 March 2021	Council 9 March 2021
16	<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	
17	<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 8 March 2021	The Executive  22 March 2021	

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## The Executive's Forward Work Programme

### Period: February – September 2021

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18	<b>Introducing Galw Gofal – Care Connect charges for Council Housing Tenants</b>	The Executive / Leader of the Council	Housing	Ned Michael Head of Housing Services  Cllr Alun W Mummy	Corporate Scrutiny Committee (date to be confirmed)	The Executive  22 March 2021 (to be confirmed)	
19	<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  22 March 2021	
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	Corporate Scrutiny Committee 16 February 2021	The Executive  22 March 2021	
21	<b>Licensing Policy Statement</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  22 March 2021	

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22	<b>Service Asset Management Plan 2020 – 2030 – Smallholdings Estate</b>	The Executive / Leader of the Council	Highways, Waste and Property	Huw Percy Head of Highways, Waste and Property  Cllr R G Parry OBE		The Executive  22 March 2021	
<b>April 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  26 April 2021	
<b>May 2021</b>							
24	<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	
<b>June 2021</b>							
25	<b>Welsh Language Standards Annual Report 2020/21</b>  Approval of report.	Portfolio holder with responsibility for the Welsh language.	Council Business	Huw Jones Head of Democratic Services  Cyng Ieuan Williams	To be confirmed	Delegated decision  June 2021	

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26	<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  June 2021	
27	<b>Corporate Scorecard – Quarter 4, 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  June 2021	
28	<b>Revenue Budget Monitoring Report – Quarter 4, 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  June 2021	
29	<b>Capital Budget Monitoring Report – Quarter 4, 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  June 2021	

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30 <b>Housing Revenue Account Budget Monitoring Report – Quarter 4, 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  June 2021	
<b>July 2021</b>						
31 <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  July 2021	
<b>September 2021</b>						
32 <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  September 2021	
33 <b>Corporate Scorecard – Quarter 1, 2021/22 (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  September 2021	

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34	<b>Revenue Budget Monitoring Report – Quarter 1, 2021/22 (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  September 2021	
35	<b>Capital Budget Monitoring Report – Quarter 1, 2021/22 (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  September 2021	
36	<b>Housing Revenue Account Budget Monitoring Report – Quarter 1, 2021/22 (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  September 2021	

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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>Executive; Council</b>
<b>Date:</b>	<b>25 January 2021; 2 February 2021</b>
<b>Subject:</b>	<b>Restructure of the Senior Leadership Team and the consequential constitutional changes</b>
<b>Portfolio Holder(s):</b>	<b>Councillor Richard Dew (<i>Planning and Public Protection Portfolio Holder</i>) Councillor Carwyn Jones (<i>Major Projects and Economic Development Portfolio Holder</i>) Councillor Dafydd Rhys Thomas (<i>Corporate Business Portfolio Holder</i>)</b>
<b>Director / Head of Service :</b>	<b>Annwen Morgan, Chief Executive</b>
<b>Report Author:</b>	<b>Annwen Morgan, Chief Executive</b>
<b>Local Members:</b>	<b>Relevant to all elected Members</b>

<b>A –Recommendation/s and reason/s</b>
<p><b>1. BACKGROUND:</b></p> <p>1.1 In March 2020, Council approved changes to the Council's Constitution in order to reflect the internal restructuring of the senior management team (Senior Leadership Team and Heads of Service) by the former Chief Executive during 2019. These changes included:</p> <ul style="list-style-type: none"> <li>a) Change to job titles and person specifications for members of the Senior Leadership Team / Heads of Service;</li> <li>b) Removing the two Assistant Chief Executive roles;</li> <li>c) Creating one Deputy Chief Executive role;</li> <li>d) Removing two Head of Function roles;</li> <li>e) Creating five new Director roles; and</li> <li>f) Changing the reporting lines for some members of the Senior Leadership Team and Heads of Service.</li> </ul> <p><b>2. ROLE OF DIRECTOR OF PLACE AND COMMUNITY WELL-BEING:</b></p> <p>2.1 Following the departure of the former Chief Executive, the Deputy Chief Executive was appointed Chief Executive and the Director of Place and Community Well-being was appointed Deputy Chief Executive.</p> <p>2.2 Since November 2019, the role of Director of Place and Community Well-being has been vacant, despite the post being subject to two external advertising campaigns.</p> <p>2.3 Following the first unsuccessful advertising campaign, the duties of the Director have been carried out by internal applicants appointed as "Interim Head of Service -</p>

Regulation and Economic Development” [ranked below the Director role] and an officer appointed as a lead on Place Shaping [undertaking that role in addition to discharging the tasks of their current role]. These appointments were initially made until April 2020 and then extended to December 2020, so as to ensure business continuity and the resilience to deal with the pandemic emergency, the easing of restrictions and the recovery period, and its consequent impact on Council services and the residents of Anglesey.

### **3. SUBSEQUENT CONSIDERATIONS:**

- 3.1 The pandemic emergency has shown that the Council must have suitably qualified officers within specific service areas for the future. Guidelines / regulations for attracting future funding and grants will undoubtedly mean that all local authorities will have to implement and respond to the climate change agenda. The coronavirus response has also clearly demonstrated the importance of appropriate competencies for this level of posts.
- 3.2 The pandemic period has also proved the essential importance of working with partners and communities to build community resilience to deal with different challenges and, in order to do this, officers need sufficient and reasonable time to carry out the work. Sufficient and equitable / balanced capacity is needed across all services to ensure IACC's future resilience within the higher tier of management and leadership.
- 3.3 It is unclear how long the pandemic will continue. Undoubtedly we as a Council will not be returning to operating fully as we did pre-pandemic and therefore changes have to be made in order to function in the 'new normal' and whilst still in the emergency period.
- 3.4 Whilst interim arrangements have worked well they are not effective in the long term. There is a requirement to make a decision in relation to the role of the Director and the consequential interim posts created as a result of a failure to successfully recruit to that role.

### **4. APPOINTMENTS COMMITTEE:**

- 4.1 As a result of the above considerations, and the Council being unable to shortlist after two external advertisements, a report was presented to the Appointments Committee in December 2020 asking for its recommendation in relation to the best way forward so as to fill a void in the Council's senior management team.
- 4.2 As Chief Executive I expressed the view (in the report) that the following was the best option:  
Delete the Director's post and appoint one Head of Service for Regulation and Economic Development. This would mean that the workload associated with the Senior Team would not exist. In practice, the Deputy Chief Executive would lead on



this aspect of the post in the Senior Team. Consideration would therefore need to be given to removing some of the Deputy's duties and reassigning them - under his supervision - and linking them to the Place Shaping aspect from the Director's role . There are several options but the simplest is to create an additional post on tier 9/10 which would provide capacity and resilience for the structure, and support the Deputy Chief Executive and the newly created Head of Regulation and Economic Development.

4.3 The Appointments Committee decided:

- To recommend to the Executive, and subsequently to the full Council, to delete this Director's post from the Council's Constitution;
- To create a permanent role of Head of Regulation and Economic Development and for this role to be advertised externally;
- That a new post of Corporate Strategy Officer be established and advertised externally.

**5. AMENDMENTS POSSIBLE TO THE CONSTITUTION WITHOUT COUNCIL APPROVAL:**

5.1 Under paragraph 3.5.2.11 of the Constitution, "*The Chief Executive shall have authority to amend the job titles, and areas of responsibility of the Senior Leadership Team and the Heads of Service as they consider necessary to deliver the Council's functions, vision, priorities and as a consequence of staff reorganisation, in consultation with the s.151 Officer, Monitoring Officer, Head of Profession HR and Transformation and the relevant Portfolio Holder(s). Any such changes will be within budget and compliant with the Council's HR policies and processes...*".

5.2 Under paragraph 3.5.3.6.6 of the Constitution, the Director of Function (Council Business) / Monitoring Officer, has delegation: "*to review and update the Council's Constitution from time to time, to include any changes arising from amended, substituted or new legislation; any restructure of the organisation already authorised as required and to include new delegations to officers, namely the Director/Head of Service with responsibility for the relevant service, to have full delegated authority to discharge the function on the Council's behalf, unless it is a matter reserved to the Council, Executive or a Committee.*"

5.3 In accordance with the delegation in paragraph 3.5.2.11, the Chief Executive has the delegated authority therefore to alter the responsibilities of the SLT and Heads of Service (subject to consultation etc).

**6. AMENDMENTS TO THE CONSTITUTION ONLY FOLLOWING COUNCIL APPROVAL:**

6.1 The Constitution is clear under paragraph 2.15.2.1 that "*Changes to the Constitution will only be approved by the full Council after consideration of the proposal by the Executive...*"

6.2 That is the basis of this report – to ask for the Executive and full Council approval to the Council's amended structure.

6.3 In the previous structure, there was a grading of Chief Executive, followed by the Deputy Chief Executive; and included with them on the Senior Leadership Team were five Directors [Director of Function (Resources) / s151 Officer; Director of Function (Council Business) / Monitoring Officer; Director of Social Services; Director of Education, Skills and Young People; and the Director of Place and Community Wellbeing]. There were four Heads of Service (who were not on the Senior Leadership Team). (This can be seen in **Enclosure 1**.)

6.4 In the proposed new structure (**Enclosure 2**), the role of the Director of Place and Community Wellbeing is removed (resulting in there being only four Directors and thus a reduction in the Senior Leadership Team from seven to six members) and a new Head of Service role is created ["Head of Regulation and Economic Development"] (resulting in an increase in the number of Heads of Service from four to five).

## 7. RECOMMENDATION:

7.1 For full Council to:

7.1.1 Note the recommendations of the Appointments Committee and confirm:

7.1.1.1 The post of Director of Place and Community Wellbeing (also known as the Director of Regulation and Economic Development for the purpose of the recent recruitment attempts) be removed from the Council's Constitution;

7.1.1.2 A permanent role of Head of Regulation and Economic Development be created and for this role to be advertised externally;

7.1.1.3 A new post of Corporate Strategy Officer be established and advertised externally.

7.1.2 Confirm its approval to the insertion of **Enclosure 2**, which reflects the above amendments to the Council's structure, in the Council's Constitution;

7.1.3 Confirm its approval for the Chief Executive (following consultation), in accordance with the existing authority included in 3.5.2.11 of the Constitution, and as a result of the above structural alteration, to distribute the relevant areas of responsibility among the Senior Leadership Team and the Heads of Service, as required.

7.1.4 Confirm its approval for the Monitoring Officer, in accordance with the existing authority included in 3.5.3.6.6 of the Constitution, to amend the Constitution (including the scheme of delegation to officers) to reflect the decisions made by Council in relation to the above structural alteration and the distribution of responsibilities among the Senior Leadership Team and the Heads of Service

made by the Chief Executive under 7.1.3 above.

7.1.5 Confirm its approval for such other consequential amendments to be made to the Constitution by the Monitoring Officer to reflect the above recommendations.

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

Council is asked to approve the recommendations made by the Appointments Committee on 18 December 2020 and as outlined above.

The other option considered by the Appointments Committee was to delete the relevant Director's post and appoint 2 Heads of Service to take over the responsibilities. This option is more expensive [Two Heads of Service costs total £211,479 and thus leaves a shortfall of £58,251]. This, together with other disadvantages identified in the report presented to the Appointment Committee, resulted in this option being rejected.

This report is brought to Council for its approval to:

- make changes to the senior management structure including:
  - o remove the relevant Director's post; and
  - o creating a permanent role of Head of Regulation and Economic Development and
- amend the Constitution to reflect those changes.

The Chief Executive has the delegated authority to amend job titles and areas of responsibility. Whilst some of the changes to the staffing structure fall within this delegated authority – and the Monitoring Officer's delegated authority to amend the Constitution to reflect those decisions – there are other changes which require full Council approval.

The Constitution should be updated to reflect the Council's up-to-date structure.

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

Paragraph 2.15.2.1 of the Constitution stipulates that "*Changes to the Constitution will only be approved by the full Council after consideration of the proposal by the Executive...*".

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

N/A

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

The current budget funds one Director's post at a sum of £119,228 (including pension costs etc).

The cost of a Head of Service and grade 9 officer totals £165,182

There is a sum of £34,000 left in the Heads of Service and Senior Leadership Team budget following the restructuring in 2019 (referred to in paragraph 1 (Background) above).

There is therefore a shortfall of £11,954 between funding the Director's role and funding the two new roles.

The senior management team has undergone structural changes in previous years and these have represented savings:

- 2014/15 £138,000( restructure of Heads of Service)
- 2015/16 £300,000(restructure of Senior Team)
- 2018/19 £45,000 (remaining from combining Heads of Service posts)

On this basis therefore, whilst there is a shortfall as a result of this change, there remains an overall saving based on the 2015/16 figures.

It is likely that appointments will not be made until after 1 April 2021. On this basis, the actual costs for 2021/2022 will therefore be lower than the total noted in the Heads of Service and Senior Leadership Team budget.

If additional budget is required in 2021/2022, this will come from the reserve funds and the budget for 2022/2023 will be amended accordingly as part of the normal budget setting process.

**E – 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>	<b>This decision will result in the Council having suitably qualified officers carrying out key roles. This will ensure that the Council will have the in-house capacity and expertise to lead in the areas of Economic Development and Regulation. These are elements which are fundamental to the objectives included in the Council's five year Plan. Work undertaken by the officers in these roles will improve the lives and opportunities of future generations.</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>No, not directly but the recommendation will constitute a saving compared to the alternative solutions such as creating two new Heads of Service</b>
<b>3</b>	<b>Have we been working collaboratively with other</b>	<b>No as there would be no additional capacity</b>

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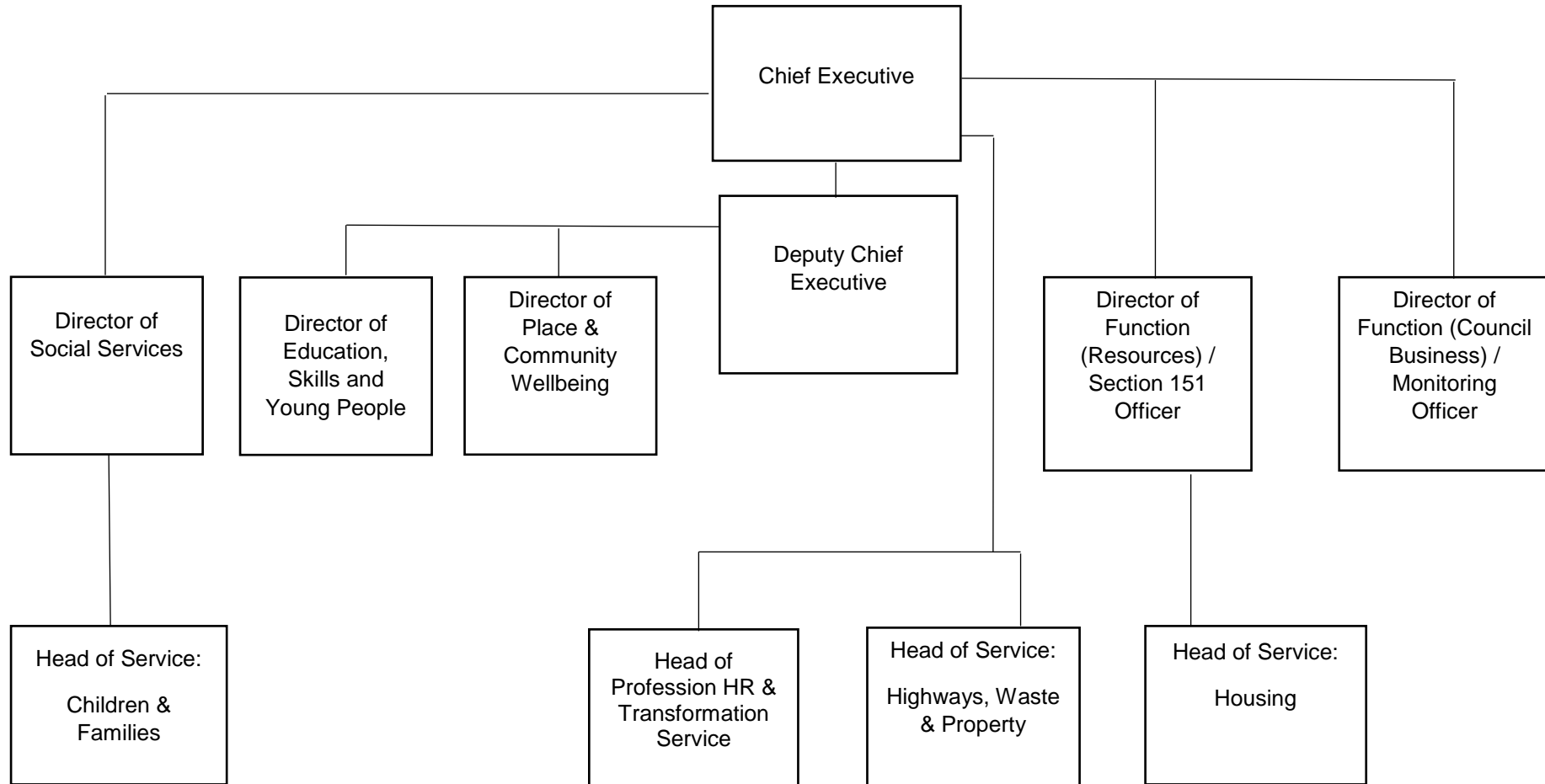
	<b>organisations to come to this decision, if so, please advise whom:</b>	
<b>4</b>	<b>Have Anglesey citizens played a part in drafting this way forward? Please explain how:-</b>	<b>No</b>
<b>5</b>	<b>Outline what impact does this decision have on the Equalities agenda and the Welsh language</b>	<b>None as the proposal will involve recruitment in accordance with the Council's Equalities and Welsh Language Policies</b>

<b>DD – Who did you consult?</b>		<b>What did they say?</b>
<b>1</b>	<b>Chief Executive / Senior Leadership Team (SLT)</b> (mandatory)	Comments included as part of the report.
<b>2</b>	<b>Finance / Section 151</b> (mandatory)	Comments included as part of the report.
<b>3</b>	<b>Legal / Monitoring Officer</b> (mandatory)	Drafted the report under the instructions of the Chief Executive and confirms that the process accords with the requirements of the Constitution
<b>4</b>	<b>Human Resources (HR)</b>	Comments included as part of the report.
<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>	

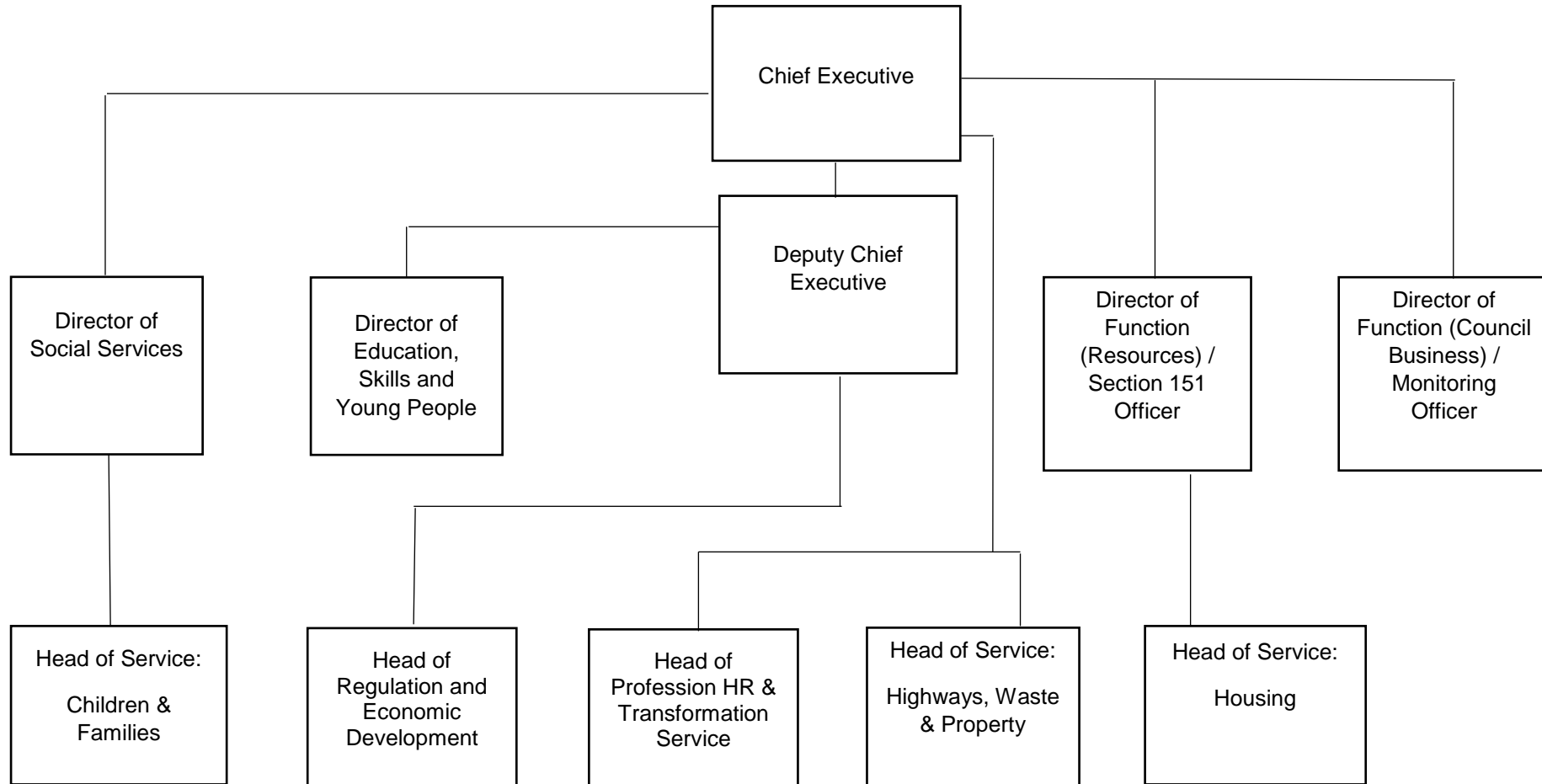
<b>F - Appendices:</b>
<b>Enclosure 1</b> Current Senior Leadership Team structure – to be removed from the Constitution <b>Enclosure 2</b> Proposed Senior Leadership Team structure – to be included in the Constitution

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

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



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



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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	The Executive
<b>Date:</b>	25 January 2021
<b>Subject:</b>	Interim Housing Strategy 2021
<b>Portfolio Holder(s):</b>	Councillor Alun Mummery
<b>Head of Service:</b>	Ned Michael
<b>Report Author:</b> <b>Tel:</b> <b>E-mail:</b>	Elliw Llŷr, Strategy, Policy and Commissioning Manager, Housing Services 01248 752137
<b>Local Members:</b>	Not relevant

<b>A –Recommendation/s and reason/s</b>
<p>It is recommend that the Executive approves the:-</p> <p><b>R1</b> Interim Housing Strategy 2021</p> <p><b>R2</b> communication plan for developing the Housing Strategy 2022-27 and work plan with partners, which leads to a consultation period and final approval.</p> <p><b>1. Background</b></p> <p><b>a) Role of the Strategy</b></p> <p>The Council has a statutory responsibility to assess housing need and lead on partnership working to secure housing of quality which meets the needs of its citizens now and in the future.</p> <p>The Local Housing Strategy is the Council's vision for how housing for the people of Anglesey could be improved over a five year period and includes the priorities for achieving that. The Strategy will ensure a shared understanding of the housing needs on the island, the issues that need to be addressed and the main outcomes the Council wants to achieve.</p> <p><b>b) Current Position</b></p> <p>Our intention in introducing the Interim Housing Strategy 2021 is to put in place a strategic document that recognises the changes we have faced during the year by prioritising what needs to happen during the next year and providing information on how</p>

Housing Services and its partners are responding to and continuing to respond to the coronavirus pandemic.

It also provides a bridge to the development of a Housing Strategy which will include the requirements of the Housing Support Grant and Welsh Government's Homelessness Strategy by 2022.

## **2. Key Objectives**

The priorities of the current Strategy have been used for the Interim Strategy which will also inform our priorities for 2022-27 . They are:

- Theme 1 - Build the appropriate homes for Anglesey's future
- Theme 2 - Making the best use of existing housing stock and improving homes and communities
- Theme 3 - Preventing housing crisis and increasing housing options
- Theme 4 - Support to promote housing independence
- Theme 5 - Homes for longer lives
- Theme 6 - The links between housing and the wider economy are fully realised

## **3. Consultation**

The Interim Housing Strategy document was been placed on the Council's website for consultation with our main partners for comment, which will also give us the opportunity to begin engagement on a Strategy from 2022-27 . We have kept the themes of the previous Strategy for this year and this consultation period was used to begin to gather views on the main theme that should be included in the Strategy from 2022 onwards.

The consultation period was open for 3 weeks between the 27th of November 2020 and 18th December 2020. Appendix 1 shows a report of the responses received following the consultation.

21 responses were received through the consultation questionnaire, which includes responses from members of the public, Anglesey Councilors and Stakeholders. The consultation response demonstrates support for the Interim Housing Strategy 2021, with 86% of respondents agreeing that the most important issues and priorities have been identified. In addition most respondents agree that the themes contained in the Interim Strategy are appropriate for the Housing Strategy 2022-2027.

These responses will inform us in moving forward with the 2022-27 Housing Strategy .

#### 4. 2022-27 Housing Strategy Communication Plan

The aim of the consultation is to develop and receive feedback on the Housing Strategy for 2022-27 and identify how this can be achieved with partners with a view to formulating priorities and identifying practical action to address these issues.

##### a) Target Audience:

a) We will include the following partners :

- Other services within the Council
- Betsi Cadwaladr Health Board
- North Wales Police
- Third Sector Organizations
- Shelter Cymru
- Rural Social Landlords; North Wales Housing, Clwyd Alyn and Grŵp Cynefin
- Housing Support Grant Providers
- Housing Services Customers
- Elected Members

##### Engagement:

	Description	Method	Date
1.	First Draft ready		April 2021
2.	Hold a workshop with Housing Partners	Sessions to gather partners' views on the proposed action plan.	May 2021
3.	Final draft public consultation (6 weeks)	Available online. Promotion on the Council's social media platforms.  Paper copies available at Cyswllt Môn, JE O'Toole Center, Libraries. Partners are asked to	June-August 2021

		<p>encourage customer involvement.</p> <p>Keep staff informed of the consultation through the staff newsletter.</p> <p>Attend different groups and meetings to gather views and promote the consultation.</p> <p>Send a link to the online consultation for partners, local councilors, town and community councils, and private landlords,</p>	
4.	Final draft for approval by the Corporate Scrutiny Committee following consultation.		September 2021
5.	Approval by Executive Committee		October 2021

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

Not publishing a Housing Strategy isn't an option, as it is integral to the work of Housing's partners and the Council on the Island.

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

In order to receive approval of the objectives and activity on the Island.

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

Yes

<b>DD – Is this decision within the budget approved by the Council?</b>
Yes

<b>E – Who did you consult?</b>		<b>What did they say?</b>
<b>1</b>	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	
<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>	Not relevant
<b>5</b>	<b>Property</b>	Not relevant
<b>6</b>	<b>Information Communication Technology (ICT)</b>	Not relevant
<b>7</b>	<b>Scrutiny</b>	
<b>8</b>	<b>Local Members</b>	
<b>9</b>	<b>Any external bodies / other/s</b>	

<b>F – Risks and any mitigation (if relevant)</b>		
<b>1</b>	<b>Economic</b>	None
<b>2</b>	<b>Anti-poverty</b>	None
<b>3</b>	<b>Crime and Disorder</b>	None
<b>4</b>	<b>Environmental</b>	None
<b>5</b>	<b>Equalities</b>	Equalities Impact Assessment has been conducted – no impact identified
<b>6</b>	<b>Outcome Agreements</b>	None
<b>7</b>	<b>Other</b>	

<b>FF - Appendices:</b>
Appendix 1 – Summary of the response to the Interim Housing Strategy 2021
Appendix 2 – Interim Housing Strategy 2021

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

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## Summary of Responses to the Interim Housing Strategy 2021 Consultation

December 2020

This report is a summary of responses received to the Interim Housing Strategy 2021 consultation. The consultation was open for three weeks between the 27<sup>th</sup> November 2020 and the 18<sup>th</sup> December 2020.

### Background:

Our intention in introducing the Interim Housing Strategy 2021 is to put in place a strategic document that recognises the changes we have faced during the year, by prioritising what needs to happen during the next year and providing information on how Housing Services and its partners are responding to and continue to respond to the coronavirus pandemic.

It also provides a bridge period to the development of a Housing Strategy which will include the requirement of the Housing Support Grant and Welsh Government's Homelessness Strategy by 2022.

We have kept the themes of the previous Strategy for this year, as follows, and we will be using this consultation period to start to collect opinions on the main themes that should be included in the Strategy from 2022 onwards.

- Theme 1 – Development of the right homes for Anglesey's future
- Theme 2 – Making best use of existing housing stock and improving homes and communities
- Theme 3 – Preventing housing crisis and increasing housing options
- Theme 4 – Support to promote housing independence
- Theme 5 – Homes for longer lives
- Theme 6 – The links between housing and the wider economy are fully realised

### Methodology:

The consultation was published on the Council's corporate website, with a link to complete the consultation questionnaire on 'Smart Survey'. The consultation was promoted through the following methods:

The questionnaire was promoted regularly to members of the public through the Council's social media platforms, throughout the 3 week consultation period.

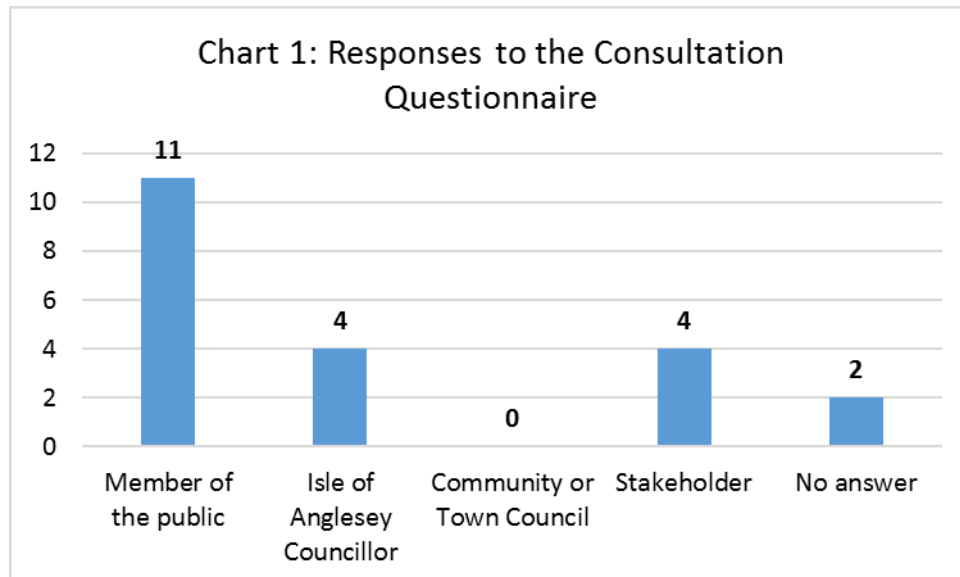
The consultation was included in Anglesey Council's weekly staff newsletter (Medra Môn).

A link to the online questionnaire was sent to:

- Anglesey's Local Councillors
- Town and Community Councils
- Registered Social Landlords who operate on the Island
- Housing Support Grant Providers
- Housing Services Staff
- Rural Housing Enabler Service
- Gwynedd and Anglesey's Joint Planning Policy Unit
- Care & Repair Cymru

**Consultation Responses:**

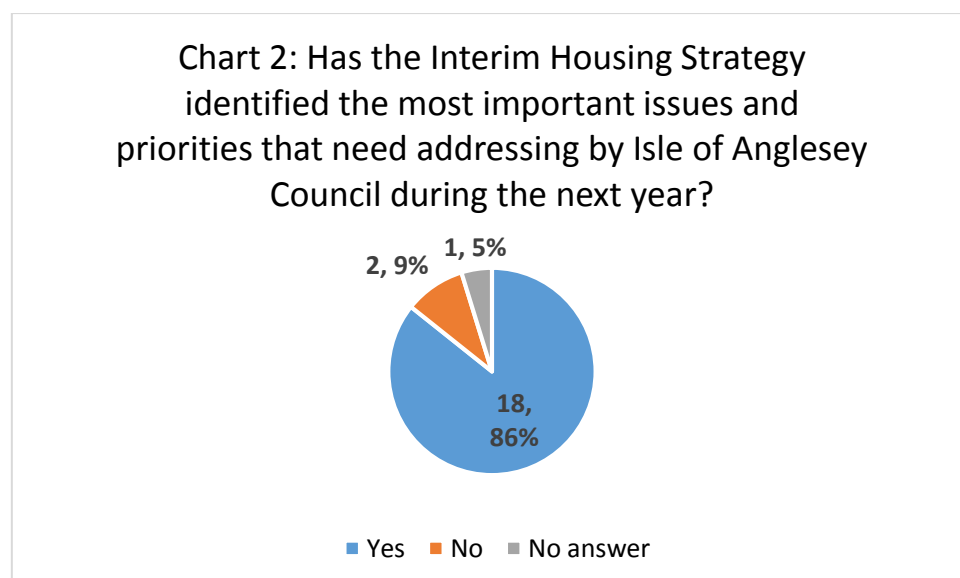
21 responses were received to the online questionnaire. *Chart 1* shows which group each respondent belongs to.



A summary of the questionnaire responses can be found below.

**Has the Interim Housing Strategy identified the most important issues and priorities that need to be addressed by the Isle of Anglesey County Council over the next year?**

As shown in the chart below 86% of respondents felt that the Interim Housing Strategy had identified the most important issues and priorities that need to be addressed by Housing Services during 2021.





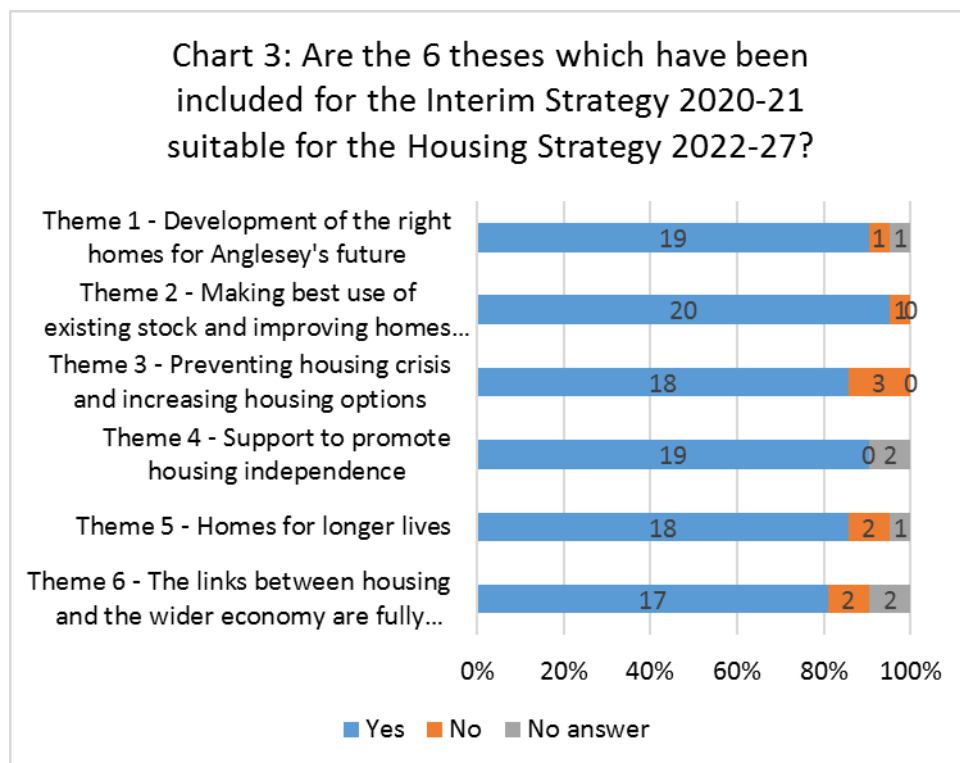
**Are there any other housing issues that need to be addressed by Isle of Anglesey County Council?**

Comments were received which show concern about the following matters:

- Need to build more single storey properties / bungalows for older people (x2)
- A large number of holiday/second homes in the area are leaving local people priced out of the market (x2)
- How is the Council going to stop heating homes with fossil fuels?
- Large number of empty homes on the Island.
- Not making the best use of existing stock. Why not build an extension when a property becomes empty in order to provide accommodation for families which need 4/5 bedrooms?
- Need to build housing in employment centres, rather than rural areas.
- Planned maintenance timescales are too long.
- The Allocations Policy is a barrier for service users in supported accommodation, who have come to the Island from other Counties.

**Are the 6 themes which have been included in the 2020-21 Interim Housing Strategy suitable for the 2022-2027 Housing Strategy?**

As seen in the chart below, the majority of respondents were of the opinion that the 6 themes would be a suitable basis for the Housing Strategy 2022-2027.



**What is the reason for your answer?**

A number of comments in support of using the 6 themes as the basis for the Housing Strategy 2022-2027 were received.

However a comment was received from one respondent who is concerned that Theme 6 (The links between housing and the wider economy are fully realised) is not suitable as the wider economy is beyond local control.

**Do you have any other comments relating to the Interim Housing Strategy?**

The following comments were received, in response to the above question:

- Need to think more as a business in order to maximise opportunities to fully meet the need of the people of Anglesey.
- The future of the Island is in your hands. You can destroy the beauty of it or develop in harmony with the Island.
- Holiday homes on the island reduce the housing stock available, and consequently measures should be put in place to reduce their numbers.

**Conclusion:**

21 responses were received through the consultation questions, with responses received from Anglesey Councillors and Stakeholders.

The response to the consultation displays support towards the Interim Housing Strategy 2021, with 86% of respondents agreeing that the most important issues and priorities have been identified. In addition the majority of the respondents agree that the themes included in the Interim Strategy are a suitable basis for the Housing Strategy 2022-2027.

It is therefore recommended that the Interim Housing Strategy 2021 is approved, alongside the communication plan for the Housing Strategy 2022-2027.

# Ynys Môn

THE ISLE OF

# Anglesey

## INTERIM HOUSING STRATEGY 2021



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

[www.anglesey.gov.uk](http://www.anglesey.gov.uk)

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# I. Introduction

The previous Housing Strategy 2014-19 acknowledged that the basic need of having a place to call home is important and how this is achieved is affected by many factors which operate at a micro and macro level. It highlighted the importance of housing and the effects this can have on individuals and families in creating an opportunity to have stability and inclusivity which contribute to the communities on the Island. The need to have a home has never been more prominent than during the Coronavirus pandemic in which we saw businesses and services close and or adapt overnight.

During the period of the previous Strategy the effects of Universal Credit, Wylfa Newydd and Brexit were either unknown or uncertain. Having a Strategy which is flexible enough to change and evolve is important as well as planning for the medium to long term.

It is important that the Council is be able to offer a range of housing options as well as offer advice and support to individuals and families living on the Island. This can only be achieved in co-operation with key partners such as Welsh Government, Housing Associations and other agencies and partners

This Interim Strategy is a means of bridging the period to develop a Housing Strategy which will encompass the Housing Support Grant and Homeless Strategy requirements by Welsh Government as well as giving information how Housing Services and its partners have and continue to respond to the Coronavirus Pandemic.

## 2. Housing achievements

It is important to look what was achieved during the last Strategy and a review during 2014 ac and the following achievements by 2019-20

- 43 new Council homes provided between 2015-2020 with an additional 65 homes bought
- 321 number of new housing provided by our partner Registered Social Landlords between 2014-and 2019 which includes social housing, intermediate rent, homebuy, rent to own and extra care
- Planning application for temporary stopping place for Gypsy and Travellers approved
- 439 number of empty homes bought back into use between 2014-19
- Hafan Cefni, Extra Care Scheme in Llangefni has been completed
- Star Survey completed in 2019 with 88% of tenants satisfied with the overall service provided by Housing Services and 86% satisfied with the overall quality of their home
- 438 number of individuals and families have had a disability facilities grant during 2014-19
- WHQS for the year 2018-19 shows 100% compliance
- Since the introduction of a one point of access for Housing Support Grant in 2016 there has been 3,275 referrals received up until March 2020

During this Interim Housing Strategy period we will achieve the following:-

- 23 units completed by RSL partners during 19-20
- 49 units expected completions by RSL partners during 20-21
- 93 units expected completions by RSL partners during 21-22
- 38 Council units started on site in 2020-21
- 40 Council units started on site in 2021-22
- Up to 75 empty properties bought back into use in 2020-21
- a minimum of 50 empty properties bought back into use during 2021-22

## 3. National and Local context

This provides a highlight of the main issues which affect the Strategy. **Council's Corporate Plan** which provides a framework for all services to work and has housing as a prominent enabler of achieving this. This document also provides a framework for services to work together to achieve a common goal.

<https://www.anglesey.gov.uk/en/Council/Measuring-our-performance/Council-Plan-and-performance.aspx>

<https://www.ynysmon.gov.uk/cy/Cyngor/Mesur-ein-perfformiad/Cynllun-y-Cyngor-a-pherfformiad.aspx>

Below this document are many Strategies which feed into and facilitate achieving the above Plan.

### Joint Local Development Plan Gwynedd and Môn 2011-26

The Joint Local Development Plan for Gwynedd and Môn was adopted in July 2017. This is a development strategy for a period of 15 years for the land use which focuses on sustainable development. This document steers the development of new housing on the Island, as well as other uses.

### NATIONAL POLICY:

#### Welfare Reform

As has been widely publicised that Welfare Reform has introduced some of the most fundamental changes and effects since the Welfare Systems was introduced in 1946. Welfare Reform came into effect on Ynys Mon in late 2018 on a phased approach. A Welfare Reform Hub was established with key Council Services and agencies with the aim of providing appropriate responses and mitigation and has done so by:

- Developing responses to the immediate consequences of Universal Credit
- Consider the longer term implication for both citizens and services of the Isle of Anglesey including, where appropriate, a wide variety of scenarios
- Improve local understanding of how Universal Credit will impact on both statutory and non-statutory services

- Engage and update key partners as necessary via established partnership mechanisms and identify and improve areas where this framework does not exist or is failing to deliver an appropriate response
- Produce and maintain an action plan with a series of recommendations at the Hubs' conclusion

In July 2020 an Initial Assessment of the possible effects on the increase of people claiming Universal Credit on IOACC services and budgets was commissioned. This report highlighted the increase in number of out of work claimants in a very short period during Covid and that this disproportionately affect young people and males. The report also highlighted the social effects of increase in unemployment which includes mental health issues, domestic abuse and isolation.

### Well Being of Future Generation Act

The Future Generations Commissioner describes housing as the cornerstone of the wellbeing of individuals, families and communities.

The Well-being of Future Generations Act gives us the ambition, permission and legal obligation to improve our social, cultural, environmental and economic well-being and requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.

The Well-Being of Future Generations (Wales) Act 2015, places a duty on public bodies to seek to achieve the well-being goals and objectives in everything they do.

Appendix I highlights some of the activities that Housing have undertaken which contribute to Future Generation Act

### Housing Support Grant

The Welsh Government Housing Support Grant (HSG) came in to effect in April 2020 and has replaced the previous Supporting People Programme. The HSG is an amalgamation of three existing grants; Supporting People Programme, Homelessness Prevention Grant and Rent Smart Wales Enforcement.

The HSG is an early intervention grant programme to support activity, which prevents people from becoming homeless, stabilises their housing situation, or helps potentially homeless people to find and keep accommodation. The HSG does not fund the statutory duty on local authorities to prevent homelessness, instead HSG funded services augment, complement and support the statutory service to ensure that the overall offer authorities provide helps people into the right homes with the right support to succeed. 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. Support is person centred, aimed at supporting people to secure and maintain sustainable housing by addressing the mental health and/or substance misuse problems they face, helping to improve their health and well-being and/or helping them progress into, or nearer to, a job or training opportunity based on their specific circumstances.

Housing related support provides a raft of services to enable vulnerable people to maintain their tenancies / households and or live independently within the homes and communities of their choice, for as long as possible.



## Decarbonisation

The Environment (Wales) act 2016 places a duty on Governments to reduce carbon emissions, in Wales this is set to be at least 80% by 2050. The report commissioned in 2019 Better Homes, Better Wales, Better World July, 2019 gives 7 recommendations for WG to lead on which states that:

'Wales has some of the oldest and least thermally efficient housing stock in the UK and Europe. 32% of the Welsh housing stock was built before 1919, when there were no construction standards in terms of thermal performance. Just 10% of Welsh homes were built in the last 18 years, during which time energy performance requirements have changed dramatically.'

Welsh Government's recent Plan "Prosperity for All: A Low Carbon Wales has a whole chapter on buildings based on all tenures and that residential buildings is the highest emissions sources as a Welsh total.

The Council have previously declared an climate emergency and our work within this arena will form part of the decarbonisation.

## Re-imagining social building in Wales Modern Methods of Construction Strategy for Social Housing, February 2020

A Strategy which set outs the expectations relating to the production of homes built using Modern Methods of Construction which encourages complimenting traditional construction methods with new technologies and approaches.

## Strategy for Preventing and Ending Homelessness October, 2019

States clearly that homelessness cannot be prevented through housing alone. Homelessness is where a person lacks accommodation or where their tenure is not secure. Rough sleeping is the most visible and acute end of the homelessness spectrum, but homelessness includes anyone who has no accommodation, cannot gain access to their accommodation or where it is not reasonable for them to continue to occupy accommodation. This would include overcrowding, 'sofa surfing', victims of abuse and many more scenarios. A person is also homeless if their accommodation is a moveable structure and there is no place where it can be placed. Homelessness, or the risk of it, can have a devastating effect on individuals and families. It affects people's physical and mental health and well-being, and childrens' development and education, and risks individuals falling into a downward spiral toward the more acute forms of homelessness.

## Regional Homelessness Strategy

A Regional Strategy was adopted by North Wales Local Authorities with the aim of Reducing Homelessness across North Wales under the headings of People, Homes and Services which identified common themes to each Local Authority within their individual reviews. A regional and a local action would then incorporate the key issues and actions required. The Action Plan for 2020-21 was our response to the Coronavirus pandemic.

## Renting Homes (Wales) Act 2016

This Act aims to make it simpler to rent a home and protect tenants' rights. In general, the Act replaces all current tenancies and licences with just two types of occupation contract; secure or standard. At present it is anticipated that all new and existing tenancy agreements will need to be re-issued. The Act also creates new rights for victims of domestic abuse, for people in shared houses and for tenants needing repairs to be carried out.

## Housing Revenue Account Business Plan

There is a requirement on the Council to produce and update their HRA Business Plan on a yearly basis, this provides an annual report on our activities as well as an overview of our partners new developments.

## North Wales Population Assessment

The North Wales Population Assessment is a review of the care and support needs of the population in North Wales, including the support needs of carers. It was produced by the six North Wales Councils and Betsi Cadwaladr University Health Board (BCUHB) supported by Public Health Wales, to meet the requirements of the Social Services and Wellbeing Act (Wales) 2014 (the act).

## Affordability

The Private Rented Sector on Ynys Môn is not a particularly affordable market with proportions of properties within LHA levels. Buying a home remains outside the range of many first-time buyers due to high property prices relative to local incomes and the deposits needed. This, and the lack of available suitable social housing, has seen many of these households turn to the rental market. About 22% of the total population of Ynys Môn receive either HB or council tax support with 59.9% of these households of working age and subject to the whole range of welfare reforms. The report showed that 74.4% of these households are charged rent higher than their relevant LHA rate applied for Housing Benefit. Their average reported difference between rent and Housing Benefit is £25.74 per week. The majority of households (79.3%) affected by the LHA cap in Isle of Anglesey are of working-age.

A report commissioned into the Private Rented Sector shows us that landlords charge between 10-20% above LHA levels knowing that households will find the additional rent. Affordability appears to be an issue especially for households on lower incomes or on benefits. Some landlords will specify 'no DSS' whilst others shy away from tenants on Universal Credit fearing the implications of rent-direct. Landlords accepting tenants on benefits will take a month's deposit and / or a guarantor who can cover the full rent.

Ynys Môn conducted a survey of private sector landlords during 2017. The survey was sent to 384 private landlord with a 11% response rate. In summary it showed that, the majority said they owed one house, 74% of the tenants stayed between 1 and 5 years, 42% were claiming HB. We also asked what would incentivise landlords to let to tenants on HB. The responses were, 71% would value some form of tenancy support, 85% wanted some form of rent guarantee. The types of problems reported were rent arrears, 52% and tenants causing damage to the property, 48%. When proposed a list of incentives, landlords were asked to rank their priority would be for financial assistance for minor improvements and guaranteed rent for empty properties until suitable tenants were found.

## THEME I – Development of the right homes for Anglesey's future

### WHYS IS THIS AN IMPORTANT ISSUE FOR ANGLESEY?

- I. **Impacts on individuals and communities of a shortfall of affordable homes**
  - a) The issue of affordability remains a concern for many communities as the shortage of suitable homes which are affordable to local people has been highlighted during the Coronavirus pandemic with houses selling on the open market at higher price and a quicker pace across the Island. This is coupled by the requirement for a 15% deposit as lenders change their approach due to concerns for house prices and the income people are getting during the pandemic. As previously seen during periods of recession the nervousness of lenders takes time to recede.
  - b) The average wage for Anglesey is £27,280 with wages in North Wales being well documented as being the lowest in Britain. M-Sparc Science Park was identified as having a higher than average wage than Anglesey and Wales in 2020. Apart from this enterprise there has been no relative change in the median income on the Island.
  - c) The average house price on Anglesey in January 2020 was £180,505 compared to £175,192 in 2019 which shows an increase of 3%. Reports in September 2020 show that some villages have seen a 21.3 percent rise in the average house price since lockdown has eased with many stating that the need and convenience of working from home has facilitated migration of people on higher salaries to buy houses in more rural locations.
  - d) Right to buy has been suspended in Wales since January 2019 with Anglesey introducing the changes a year earlier under the Act. Whilst this has been able to stop the decrease in the number of socially rented properties the need to provide more affordable homes remains. Changes in the Housing Revenue Account allows Local Authorities to borrow to build affordable homes which compliments the work already done by our partner RSLs in providing additional affordable homes.
  - e) Accommodation in the Private Rented Sector remains the only options for some households as they are unable to access social housing. Many Landlords charge more than the Local Housing Allowance with households having to pay the difference and therefore having less to spend on their bills and other costs which in turn affect the ability to save a deposit should they wish to buy a property.



## 2. Rural Housing

As stated in the previous Strategy there are specific issue in relation to the supply of housing outside main service centres in Anglesey (Holyhead, Llangefni and Amlwch) where house prices tend to be higher. The impact of buying second homes or relocating to more rural areas has been highlighted during Coronavirus pandemic.

## 3. Accommodation for Gypsies and Travellers

The Accommodation Needs Assessment, 2016, highlighted the provision for a temporary stopping site and permanent site.

### What needs to happen by 2021

1. The Council maintains up to date evidence on the level of affordable housing need, this is done by utilising information from Tai Teg and the Common Allocations Register. A report, which is soon to be published, provides an overview of the information collated for the Needs Assessment for the Housing Support Grant Planning requirements for Welsh Government.
2. The Council will continue to develop smaller homes in its development programme in conjunction with its RSL partners.
3. Rural housing need continues to be addressed with our RSL partners and Planning Policy Unit with assistance by the Rural Housing Enablers. The methods in which consultation is held has changed due to Coronavirus pandemic with much more use of social media and targeted consultations taking place, an example of this is a Q&A session for new affordable homes development hosted by a Local Authority, Housing Association and Tai Teg.
4. The Council is able to access borrowing funds to develop new models of housing and will be able to assist in co-operation with its RSL partners to increase the number of new build as well as buying back ex Council Properties. For the next 3 years, we have identified the following as possible development opportunities, which will increase the Councils housing stock by a total of 176 units:

	Acquisitions (target)	Newbuild commencements
2020/21	7	38
2021/22	15	56
2022/23	15	40
<b>Total</b>	<b>37</b>	<b>134</b>

5. The Social Housing Grant will be fully utilised with additional capital funding awarded from the Phase 2 Transitional Homeless Fund and applications made for Innovative Housing Programme and Optimised Retrofit Programme. The Council will also develop intermediate housing as well as promote the Self Build Scheme offered by Welsh Government. As of 2021 Councils will be able to access the Social Housing Grant allocation.
6. The provision of a temporary stopping place will be completed by early Summer 2021 with a Gypsy and Traveller Assessment taking place during 2021 for its approval by early 2022.



## THEME 2 – Making best use of existing housing stock and improving homes and communities

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### WHY IS THIS AN IMPORTANT ISSUE FOR ANGLESEY?

#### 1. More homes are needed when empty properties are lying empty

- a) According to the empty homes database on 1st April, 2020, there were 666 properties that had been empty for 6 months or more on Anglesey. The Empty Homes Team focusses on dealing with some of the most problematic properties on the Island whilst continuing to offer empty home renovation grants to first time buyers purchasing an empty property in need of renovation, renovation grants to landlords in specific areas, loans to owners of empty properties wishing to renovate to let or sell and home improvement loans to owners of empty properties wishing to owner occupy. In addition they identify opportunities for redevelopment of problematic sites for the Housing Development Manager, source empty ex-local authority properties to purchase in order to increase existing council housing stock and have acquired some problematic properties which have been renovated and sold on to local first time buyers on a shared equity basis.

#### 2. The need for good quality private sector homes continues to grow

- a) The Rent Smart Wales scheme is well established in Wales with many landlords having registered their properties providing assurances to tenants that they meet the requirements. As recent reports show the need and demand for Private Sector Housing continues to rise the Welsh Government is to introduce a standard tenancy across the rented sector
- b) The tradition of having a stock condition survey has been reformatted to include a survey on the condition and energy efficiency of all types of housing in Wales. The intention was to establish a bank of information which could be drilled down at a local level, to date this work has not been completed. The most recent report available is for information from 2017-18 will the main points being that housing conditions have improved in Wales with the average energy efficiency improving from Band E in 2008 to Band d in 2017-18.

#### 3. Fuel Poverty

Fuel poverty occurs when a household needs to spend more than 10% of its income on all household fuel in order to maintain a satisfactory level of heating. This could become more of an issue during the Coronavirus pandemic.

#### 4. More people feel and are safe within their communities

Living in safe and secure housing has never been so important than during the Coronavirus pandemic with the need to be able to follow Public Health Wales Guidelines during lockdown, providing protection for those identified as vulnerable and the need to be able to isolate. During the past months some communities have been subject to tensions which have resulted in increased reports to Police and Council Services such as Environmental Health.

#### 5. Community Cohesion

As stated some communities have been affected by negative issues during Covid but there has also been a positive response from communities in ensuring that the most vulnerable and people who need assist were able to make contact with a network of volunteers which were able to provide emotional and practical support during the lockdown period. This has provided the Island with a footprint to develop this further.

### What needs to happen by 2021

1. Our Empty Homes Strategy continues to be effective in getting homes back into use by utilising a variety of methods. We will continue to promote the service and tap into TRIP funding opportunities as well as introducing a shared equity model for First Time Buyers.
2. That the use of tax from Empty and Second Homes enables access to affordable housing
3. The Council works closely with Private Sector Landlords and is able to offer a prevention fund and incentive to encourage landlords to accommodate families and individuals who are at risk of homelessness. The addition a Private Sector Support via the Phase 2 funding will assist with sourcing landlords to work with us.
4. The Council will continue to promote the Housing Improvement Loan for Home Owners to improve the condition of their properties as well as offering Grants with conditions to Landlords wanting to bring empty properties back into use.

## THEME 3 – Preventing housing crisis and increasing housing options

### WHY IS THIS AN IMPORTANT ISSUE FOR ANGLESEY?

1. **There are a number of background factors relevant to this area of work**
  - a) The ways of working to the Housing Act 2014 are well established within Housing Teams by now with assistance provided to prevent homelessness and assisting with solutions. The Guidance was changed during the lockdown to enable Local Authorities to house all those presenting as homelessness so that the people could be protected against the spread of Coronavirus pandemic.
  - b) There has been an increase in demand for homelessness services as a direct result of Coronavirus pandemic and changes in Welsh Government Guidance on priority need. It is unclear if this Policy change will be continue post March 2021 and the implications that this have longer term on our homeless provision
  - c) As there is need for landlords to give more notice than usual before commencing court actions it is difficult to predict when tenants will approach Housing Services for advice and assistance, it is also difficult to predict how many are in financially difficult currently and as we see an increase in people losing their employment.
2. **At present there is a challenging situation for a significant number of people on Anglesey who are seeking their first home or needing to move from existing accommodation.**
  - a) As stated previously there has been an increase in homeless presentations with the number of households placed in emergency accommodation ranging from 28 – 64 households. This has been compounded by the need to be able to move households on into settled accommodation as well as providing prevention to those households who have not had to leave their home but are needing assistance.

### What needs to happen by 2021

1. Continuing to offer emergency accommodation will remain a priority with the need to ensure that all those presenting are able to access accommodation
2. Ensure that phase 2 funding from Welsh Government to deal with Homelessness during lockdown is utilised fully
3. Adopt a Housing Support Grant Programme by December 2021 which will incorporated within the Housing Strategy
4. Continue to work in partnership with our RSL partners, support providers and other agencies to offer support to people who are homeless or vulnerable to homelessness
5. Continue to work with and develop connections with private rented sector landlords
6. The Welfare Reform Hub will evolve to include wider considerations relating to poverty
7. Bwyd da will be introduced as an affordable means of providing food and reducing food waste



## THEME 4 – Support to promote housing independence

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### WHY IS THIS AN IMPORTANT ISSUE FOR ANGLESEY?

1. Being able to support people to live independently is reflected in the Council's Corporate Plan with many of Housing Services and its partners work and activities contributing towards this, from Tenant Participation to Housing Support Grant empowering people to be able to contribute and take part in their community.
2. Supporting people and communities has been very important during recent changes such as Welfare Reform and Coronavirus pandemic, with many people being able to access support when they need it. During the Lockdown the priority was to ensure that the most vulnerable and those shielding were able to access key services such as shopping and medical deliveries. This was co-ordinated via traditional support services as well as a wave of volunteers within communities ready and able to provide these vital services.
3. Housing Support (previously known as Supporting People) has enabled a considerable number of people to receive timely and appropriate interventions to enable them maintain their homes across all tenures and remain independent. Some of the most vulnerable groups within society, such as people experiencing domestic abuse, people leaving prison, people with mental health needs, people with substance misuse needs, and older people, to name a few, have all benefited from receiving tailored and targeted support, during recent years. In October 2016, a Single Point of Access Referral Point was established, providing us with much improved data intelligence. Since its introduction the following number of referrals that have been supported annually, by range of providers, we commission strategically to meet designated service user groups, with the emphasis on preventing homelessness and promoting independence
4. Since the last Strategy was published Supporting People has been rebranded to Housing Support Grant with a new outcomes framework with a decision to be made on the formula for apportioning the grant to Local Authorities to be determined.

5. The needs mapping data continues to inform services going forward with mental health, homelessness, alcohol and drug misuse continue to be an issue.
6. By working with Children's Services Domestic Abuse Services are delivered in a co-ordinated way by offering a One Front Door to access services.

### What needs to happen by 2021?

1. Changes in the delivery of support provision had to happen overnight due to Coronavirus which offer a different way of offering services, we also saw a number of support providers making every effort to make sure that individuals and families received support during the lockdown and making sure that people were able to access basic services such as shopping.
2. The conclusion into the review of the redistribution of the Housing Support Grant has been delayed with an estimated possible introduction in 2022.
3. Close working with Adult Services has meant that services have been tailored to offer the most appropriate support and funding options to ensure that the Housing Support Grant benefits is maximised fully
4. By working closely with Children Services Domestic Abuse services will continue to offer the principles of One Front Door in ensuring that families are able to access services and support in a timely and sensitive manner.
5. A newly appointed Occupational Health Officer has been appointed which will assist with facilitating people with disabilities are able to access affordable housing

## THEME 5 – Homes for longer lives

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### WHY IS THIS AN IMPORTANT ISSUE FOR ANGLESEY?

1. As the previous Strategy stated people are living longer and as such, we expect to see an increase of approximately 70% in the number of people over 85 living on the Island over the next 10 years.
2. Matching the needs of older people to the current housing stock remains a challenge.  
Work has already been done to ensure that Older People have the right choice of housing with a newly built Extra Care Facility in Hafan Cefni with 63 one and two bedroom flats available to rent. Also, Llawr y Dref complex was re-modelled to offer a more modern living approach. Additional units of bungalows have been developed on Moelfre and Holyhead.

### What needs to happen by 2021?

1. A business case for the location of an Extra Care Scheme in the Seiriol or North of the Island area will be progressed
2. Our provision of Sheltered Housing will continued to be reviewed to ensure we are able to work collaboratively to offer a hub approach to services and are able to access funding such as Intermediate Care Fund
3. Older people will be encourage to downsize with access to our incentive scheme where applicable
4. Work will continue to work towards offering a consistent service regardless of tenure when a family or individual requests a Disabled Facilities Grant

## THEME 6 – The links between housing and the wider economy are fully realised

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### WHY IS THIS AN IMPORTANT ISSUE FOR ANGLESEY?

1. Social, Economic and Environmental benefits can come from the direct result of building new homes. The Council and its RSL partners can have a direct impact on this by building new affordable homes as well as being awarded the Innovative Housing Grant which promotes the use of measures which make homes more energy efficient.
2. Appropriate development of affordable and market housing is needed to support growth of town and rural economies.
3. There continues to be a contrast between the economic prosperity and levels of social deprivation in some of the prosperous communities and the least well off. Mon Communities First satellite offices continue to provide training and work opportunities across the Island.
4. The local housing market can be a major driver of economic growth and as already mentioned new developments can contribute directly to this, an can include:-
  - Maintenance and planned works programme which output this can have locally
  - Housing adaptations tap into local builders and craftsmen
  - Energy efficiency measures such as ECO and Arbed am Byth can contribute to the local economy
  - Brining empty homes back into use has demonstrated that local trades companies benefit from the grant allocation made
5. The decision not proceed with Wylfa Newydd was made in September by Hitachi with effects being felt across the Island and further afield.

### What needs to happen by 2021?

1. Housing Services will continue to support the Arbed am Byth scheme on the Island
2. The Council continues to encourage initiatives which support local businesses to tender for contracts of work. Housing Services continues to support a number of local firms via its planned maintenance schemes, new build programme and it's renovation of buy backs(ex Council Houses)
3. Regeneration Projects such as brining empty properties back into use will continue to be supported while funding is available



## Appendix I

Below are examples on how we have met the seven principles of the Future Generations Act in relation to our tenants & properties:

Well-being Goal	Evidence
A prosperous Wales	<p>Tenants participation</p> <p>Tenant engagement</p> <p>Signposting tenants to employability programmes, such as Trac, Ad-Trac</p> <p>Working closely with the Department for Work &amp; Pensions, CAB and our internal Welfare Rights Team to ensure benefit entitlement are maximised</p> <p>Denu talent training programme for young people</p> <p>Commissioning approaches through Supporting People ensuring we are outcome focused</p> <p>Our in-house financial inclusion team</p> <p>Various school holiday programmes across Anglesey, in partnership with other partners to improve wellbeing, opportunities and reduce anti-social behaviour</p>
A resilient Wales	<p>Housing services environmental grant</p> <p>Community clean up days</p> <p>The commissioning of energy wardens to ensure tenants are encouraged to effectively manage their energy, ensuring support with budgeting and reducing fuel poverty</p> <p>Ensuring our tenants voice is heard regarding ideas and innovation on allowing our communities to become more resilient</p> <p>Re-development of various communal lounges within sheltered housing estates to allow them to become tenant &amp; resident community hubs</p>

Well-being Goal	Evidence
<p>A Wales of cohesive communities</p>	<p>Tenants participation strategy and annual action plan</p> <p>Working with a wide range of partners whom are involved in developing cohesive communities</p> <p>Prevention and early detection of crime / anti-social behaviour</p> <p>Encouraging new tenants &amp; residents groups to be formed in order to become self-resilient – providing ongoing support and guidance through ourselves and partners such as Medrwn Môn and Menter Môn</p> <p>Developed a hate crime action plan, in partnership with key partners such as CAB,Victim Support and North Wales Police</p> <p>Supporting tenants who are victims of hate crime. Addressing perpetrators of hate crime through relevant channels</p>
<p>A Wales of vibrant culture and thriving Welsh language</p>	<p>Adherence to the Welsh Language Act</p> <p>Becoming a pilot service within the council to improve spoken Welsh language in day to day business</p> <p>Supporting staff with confidence regarding speaking Welsh</p> <p>Supporting 2nd language Welsh staff to improve their Welsh language skills through training, development and support</p> <p>Ensuring all tenants are given the opportunity to speak in their language of choice when interacting with us</p> <p>We celebrated St Davids' Day 2019 with the grand opening of a community hub, which had been part-funded by the HRA and also Integrated Care funds</p>

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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	Executive Committee.
<b>Date:</b>	25.01.2021
<b>Subject:</b>	Biodiversity Plan
<b>Portfolio Holder(s):</b>	Richard Dew.
<b>Head of Service / Director:</b>	Christian Branch
<b>Author:</b>	John Ifan Williams - Planning Built and Natural Environment Manager.
<b>Tel:</b>	01248 752460
<b>E-mail:</b>	JohnWilliams2@ynysmon.gov.uk
<b>Local Members:</b>	Not applicable.

<b>A – Recommendation(s) and reason(s)</b>
<p>Accept the report and formally adopt the Biodiversity Plan.</p> <p>It is a statutory requirement that the Council has an adopted corporate Biodiversity Plan.</p> <p>It is also necessary that an action plan be devised to enable the Council to comply with the duty established by section 6 of the Environment (Wales) Act 2016 to maintain and improve biodiversity.</p> <p>Aims and objectives must be set so as to enable the Council to measure output and report on a three-yearly basis on how it is meeting those aims and objectives together with its duties from the perspective of maintaining and improving biodiversity.</p> <p>The Council declared a climate emergency in September 2020. As a result, the Council is in the process of preparing a Climate Change Plan which will contain a number of actions to respond to several facets of the emergency. The Biodiversity Plan is one such theme and work area.</p> <p>An annual report will be presented to the Executive Committee in relation to outputs in implementing the corporate Biodiversity Plan, with a 6 monthly report on delivering on annual expectations to be presented to the Corporate Programme Board.</p>

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

<b>this option?</b>
Not applicable

<b>C – Why is this a decision for the Executive?</b>
Having an adopted Biodiversity Plan is a statutory requirement as set out in section 6 of the Environment (Wales) Act 2016.

<b>Ch – Is this decision consistent with policy approved by the full Council?</b>
<p>The Plan has been prepared to align with the objectives of the Council Plan, in particular Objective 3 (Work in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment).</p> <p>From a wellbeing perspective, as the Council Plan explains, encouraging our citizens to use the natural environment can lead to improved health. It is acknowledged that immersion in biodiversity for a period each week can improve an individual's physical and mental health.</p> <p>Biodiversity provides many of our life resources such as food, medicines, energy and raw materials. Through maintaining and improving biodiversity, this will ensure the most favourable conditions for securing the continued provision of such resources into the future.</p> <p>Biodiversity and our unique landscape creates a firm foundation for our economy. For example, from a tourism perspective, our biodiversity and landscape rank amongst the main characteristics that attract visitors to the Island.</p> <p>Implementing the actions outlined in the action plan that is incorporated into the Biodiversity Plan will reinforce biodiversity which, in turn, will improve the conditions that can contribute to improved wellbeing for the people of Anglesey, continue the provision of life resources in addition to providing a solid basis for maintaining the Island's economy.</p>

<b>D – Is this decision within the budget approved by the Council?</b>
<p>Co-ordination and governance activities will be undertaken within the Service's existing resources whilst specific projects will require applications for external funding.</p> <p>As section 6 (1) of the 2016 Act requires, it is the Council's corporate responsibility to ensure that it must seek to maintain and enhance biodiversity in the exercise of functions in relation to Wales, and in so doing promote the resilience of ecosystems, so far as consistent with the proper exercise of those functions.</p> <p>Action 6.1 of the action plan makes provision for the establishment of an inter-service officers' group with responsibilities to monitor the Plan's implementation, how the Council</p>

meets the requirements and to report on output arising from the Plan's aims and objectives. There is a statutory requirement to report on outputs on a three-yearly basis and the Service will lead on this, as indicated in the action plan.

Additionally, it is recommended that outputs should be reported annually to the Executive Committee and other committees in order to ensure that expectations were being met. This will represent a means of measuring performance that would reassure managers/politicians that issues relating to workstreams were meeting the relevant expectations in addition to a means of recognising whether amendments to the Plan were considered necessary.

It will be necessary to ensure that the appropriate resources are available to enable this to be done and to ensure that the aims and objectives of the Plan remain at the forefront each Service's strategies and are adequately reflected in each service business plan.

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

1	<b>How does this decision impact on our long term needs as an Island</b>	It will ensure that maintaining and improving biodiversity would be an important and central consideration to the County Council's decision making process, thereby ensuring that future generations can benefit from the Island's diverse natural environment whilst ensuring that economic, social and environmental benefits accrue from it's safeguarding.
2	<b>Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-</b>	The changes in the ways in which the Council's assets will be managed and maintained can lead to savings.
3	<b>Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:</b>	Only internally on the Plan's preparation.
4	<b>Have Anglesey citizens played a part in drafting this way forward? Please explain how:-</b>	Not directly from the perspective of drafting the Plan.
5	<b>Outline what impact does this decision have on the Equalities agenda and the Welsh language</b>	Not applicable

<b>E – Who did you consult?</b>		<b>What did they say?</b>
<b>1</b>	<b>Chief Executive / Senior Leadership Team (SLT) (mandatory)</b>	The report was considered by the SLT on 21/12/2021 together with a revised version on 4/1/21. It was agreed that the report and the Biodiversity Plan could be progressed to the Executive Committee for consideration and adoption of the Plan.
<b>2</b>	<b>Finance / Section 151 (mandatory)</b>	No response
<b>3</b>	<b>Legal / Monitoring Officer (mandatory)</b>	No response
<b>4</b>	<b>Social Services</b>	<p>The Plan reads clearly and appears to align with the work that was being undertaken by the Climate Change Group before the onset of Covid which brought this work to halt.</p> <p>We would as a Service like to help with some projects in the future – as we discussed, the possibility to plant trees for each of the children on our registers, or include foster carers to raise awareness during the National Foster Carers’ Fortnight. Or for all the Service’s staff to plant a tree? Are there workshops that we can undertake with children in order to raise awareness so that they can help in the future?</p>
<b>5</b>	<b>Highways, Waste &amp; Property</b>	<p>Suggest that provision should be made for the maintenance of wildflower meadows, landscaping features, habitat areas and biodiversity features on new school sites</p> <p>Director of Education, Skills and Young People to lead, with the Education and Highways, Waste &amp; Property Services to be responsible for implementing. From the perspective of performance measurement, Maintenance to be included within annual school site ground maintenance contract.</p> <p>The outcome would be to maintain and</p>

		enhance habitat.
<b>6</b>	<b>Education, Skills and Young People</b>	Having read the Plan, it reads clearly and we have no further observations. No elements of the Plan on which the education Service leads and no updates in terms of activities contained within the Plan at present.

<b>F - Appendices:</b>
Isle of Anglesey County Council Biodiversity Plan 2020-2022

<b>FF - Background papers (please contact the author of the Report for any further information):</b>
<p>Environment (Wales) Act 2016</p> <p>Isle of Anglesey County Council Plan 2017-2022</p> <p>Gwynedd &amp; Anglesey Well-being Plan</p> <p>North West Wales Area Statement</p> <p>Môn and Gwynedd Joint Local Development Plan</p> <p>Local Biodiversity Action Plan</p> <p>AONB Management Plan</p>



**Isle of Anglesey County Council –  
Corporate Biodiversity Plan 2021-2022**

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**Foreword**

One of the County Council’s three key objectives set out in its Corporate Plan is to work in partnership with our communities to ensure that they can effectively cope with change and development whilst protecting the natural environment. Additionally, our commitments in relation to responding to the challenges set out by the Well-being of Future Generations (Wales) Act require that we recognise the importance of protecting the natural environment. As such, the Gwynedd and Anglesey Well-being Plan encapsulates this theme as a part of delivering its priorities and it is a common theme that runs across all the well-being objectives. This response reflects the importance now placed on the natural environment by this legislation.

Furthermore, the Environment (Wales) Act 2016 introduced the Biodiversity Resilience and Ecosystems Duty requiring public authorities to maintain and enhance biodiversity and, in doing so, promote the resilience of ecosystems, thereby embedding biodiversity in its day-to-day decision making, plans and policies.

In response to these identified key objectives in relation to the natural environment and legislative requirements, Isle of Anglesey County Council’s first Biodiversity Plan seeks to meet the responsibilities placed upon it in this respect by setting out realistic, deliverable and measurable actions to enhance the Island’s biodiversity and establish a clear framework by which to measure progress and identify areas where improvement is needed. By regular review, working across services and with key partners, we will be able to amend the Plan and its priorities ensuring that appropriate effort is directed towards promoting ecosystem resilience which, in turn, can continue to support the biodiversity of the Island. Furthermore, working in this way will assist the Council to identify and apply for external funding where necessary in order to enable the realisation of specific projects thereby contributing towards meeting the aims and objectives of the Plan.

Anglesey’s varied and characterful natural environment is popular with locals and tourists alike and, as such, underpins much of our economy. It is therefore imperative that we do our utmost to care for this irreplaceable resource in order not only to meet the challenge set by a decline in species and habitat, much of which may be accelerated by the climate change we are currently experiencing, but also for our own social, economic and cultural well-being.

..... **IACC Council Leader**

..... **Portfolio Holder Planning & Public  
Protection/Environmental Champion**     **January  
2021**



## 1. Introduction

This Plan has been developed to ensure that environmental benefits accrue from the way the County Council operates and makes decisions whilst also complying with the requirements of section 6 (s6) of the Environment (Wales) Act 2016 which are to maintain and enhance biodiversity, and in the course of doing so promote the resilience of ecosystems.

Anglesey has a wide and varied biodiversity. The Island is regionally, nationally and internationally renowned for habitats such as sand dunes and salt marshes, and species such as red squirrel and chough. Additionally, it is world-renowned in terms of its geology and is consequently designated a UNESCO Global Geopark. As an Island, our biodiversity is in some ways distinct to that of other areas of the UK.

To those who live here or who visit, Anglesey is considered to have a particular natural beauty and tranquillity which sets it apart from the mainland, engendering amongst residents and visitors alike a strong sense of place. It is an island whose landscapes and natural resources and assets, in addition to sustaining strong local communities, underpin a rich and varied biodiversity. This Plan aims to help maintain and enhance Anglesey's unique biodiversity features, setting out clear and concise objectives that will be carried out by the Council between 2021 and 2022.

The Plan's objectives have been written to be **realistic, achievable and measurable** within the timescales, with the first report on the progress of the actions due by the end of 2019. However, due to the delay in publishing the Biodiversity Plan, the intention now is to report on initial progress during 2021 with the subsequent progress report being published in December 2022.

The Plan follows guidance received by the Welsh Government and considers the objectives of the Nature Recovery Action Plan (NRAP) for Wales (<https://gov.wales/nature-recovery-action-plan-2015>) which identifies actions that can be delivered in the short term and set a course to deliver longer term commitments beyond 2020. Section 6 of the Environment (Wales) Act 2016 requires that a public authority in seeking to maintain and enhance biodiversity must have regard to any published Area Statement. Natural Resources Wales (NRW) have recently published the Area Statement for North West Wales (<https://naturalresources.wales/about-us/area-statements/north-west-wales-area-statement/?lang=en>) and this Plan has been prepared taking the Area Statement into consideration.

## 2. Plan Aims and Objectives

### Aim

The aim of the Plan is to ensure the County Council maintains and enhances the Island's varied and notable biodiversity in the exercise of its statutory duties and discretionary activities and, in so doing, promote the resilience of ecosystems. The State of Natural Resources Report prepared by NRW defines ecosystem resilience as "the capacity of ecosystems to deal with disturbances either by resisting them, recovering from them or adapting to them whilst retaining their ability to deliver services and benefits now and in the future."

(<https://cdn.naturalresources.wales/media/679405/chapter-4-resilience-final-for-publication.pdf>).

## Objectives

The above aim will be secured by achieving the following objectives:

- ensuring the impacts and opportunities associated with biodiversity are considered throughout the Council's decision making at all levels and that the Council's capital programme is delivered and implemented in a way which enhances biodiversity;
- safeguard species and habitats of principal importance, improve their management and ensuring new development respects and makes a contribution towards overall biodiversity;
- increase the resilience of our natural environment by restoring degraded habitats and habitat creation;
- tackle key pressures on species and habitats;
- improve our evidence base, understanding and monitoring and increasing awareness, understanding and appreciation of biodiversity; and
- put in place a robust framework of governance and support for delivery.

The NRAP links to and complements The Well-being of Future Generations (Wales) Act 2015 (Annex A) and the Environment Act (Wales) 2016. Its six individual objectives (Annex B) are mirrored in this Biodiversity Plan. In addition, the Council's Corporate Plan promotes environmental awareness and resilience whilst there is a need to link biodiversity benefits to the County Council's forthcoming Climate Change Strategy and the ongoing decarbonisation agenda and waste reduction/recycling programmes

### 3. Biodiversity on Anglesey

The NRAP defines biodiversity as "the variety of life found on Earth. It includes all species of plants and animals and their abundance and genetic diversity."

It is important to conserve and enhance our biodiversity, which brings a range of benefits to everyday life. Some examples include:

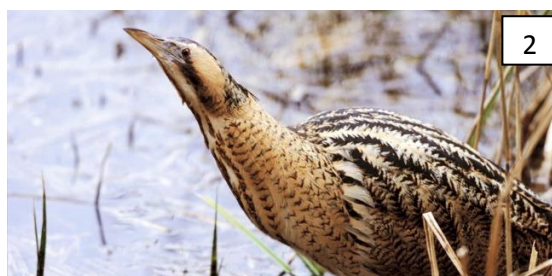
- Improved health and well-being of Anglesey residents and visitors.
- Supply to ecosystem (e.g. water, pollination, nutrients and so forth);
- Supply of Life Resources (Food, Medicine, Energy & Raw materials);
- Economic benefits through added value to local economic activities and tourism; and
- Distinctiveness of landscape which contributes to the Island's character.

#### Biodiversity on Anglesey – A brief introduction

Anglesey has many species and a number of priority habitats (**Annex D**). These include lowland and coastal heath, reedbeds, fens, broadleaved woodlands, ancient and species-rich hedgerows, ponds and flower-rich road verges. Added to these are some of the most extensive sand dunes in Wales.

Notable species (**Annex D**) include several threatened birds, mammals, insects and plants.

The **Roseate Tern [1]** (Britain's rarest breeding tern) and **Bittern [2]** historically bred on Anglesey, but their return as breeders remains uncertain for the future. Enhancement and safeguarding of habitat is therefore imperative to ensure their continued presence on the Island.



The **Otter** returned to Anglesey in the 1990s, following an absence of 20 years, helped by river water quality improvements.

**Red Squirrels** are now widespread on Anglesey, helped by an effective and ongoing reintroduction programme over the last 20 years or so.

Large areas of sea around Anglesey are part of a Special Protection Area for the **Harbour Porpoise**. This species can be seen off the north coast in particular.

The rare **Marsh Fritillary** butterfly can also be found here. Anglesey used to be one of the European strongholds for this species, but now only small numbers remain.

The island has a wealth of **rare plants**, such as our county flower, the **Spotted Rock Rose** [4]. The **South Stack Fleawort** [3] is only found at South Stack, and nowhere else in the world. Other plants that are in decline on the island include **Chamomile**, **Pale Dog Violet** and **Lesser-Butterfly Orchid** [5].



Active conservation by several organisations such as NRW, North Wales Wildlife Trust and RSPB is helping ensure that these species will not disappear from our island. In addition, Welsh Government encourages effective action from a network of Welsh Local Nature Partnerships made up of local interests and conservation players (see <https://www.biodiversitywales.org.uk/Local-to-You> ). Anglesey's Local Nature Partnership includes the above bodies and others, led by IACC.

Important habitats include heathland, fens, sandy beaches, cliffs, lakes and broadleaved woodlands. The Island has a rich and varied coastline. There are nationally and internationally important sand dune systems and inland, fens.

Fens on Anglesey are low in nutrients, which lead to a wider range of plants compared to nutrient-rich conditions. The rare calcareous (lime-rich) fens [7] are the second largest in area

in Britain and hold wildlife which has become rarer as the extent of this habitat has declined for many years.

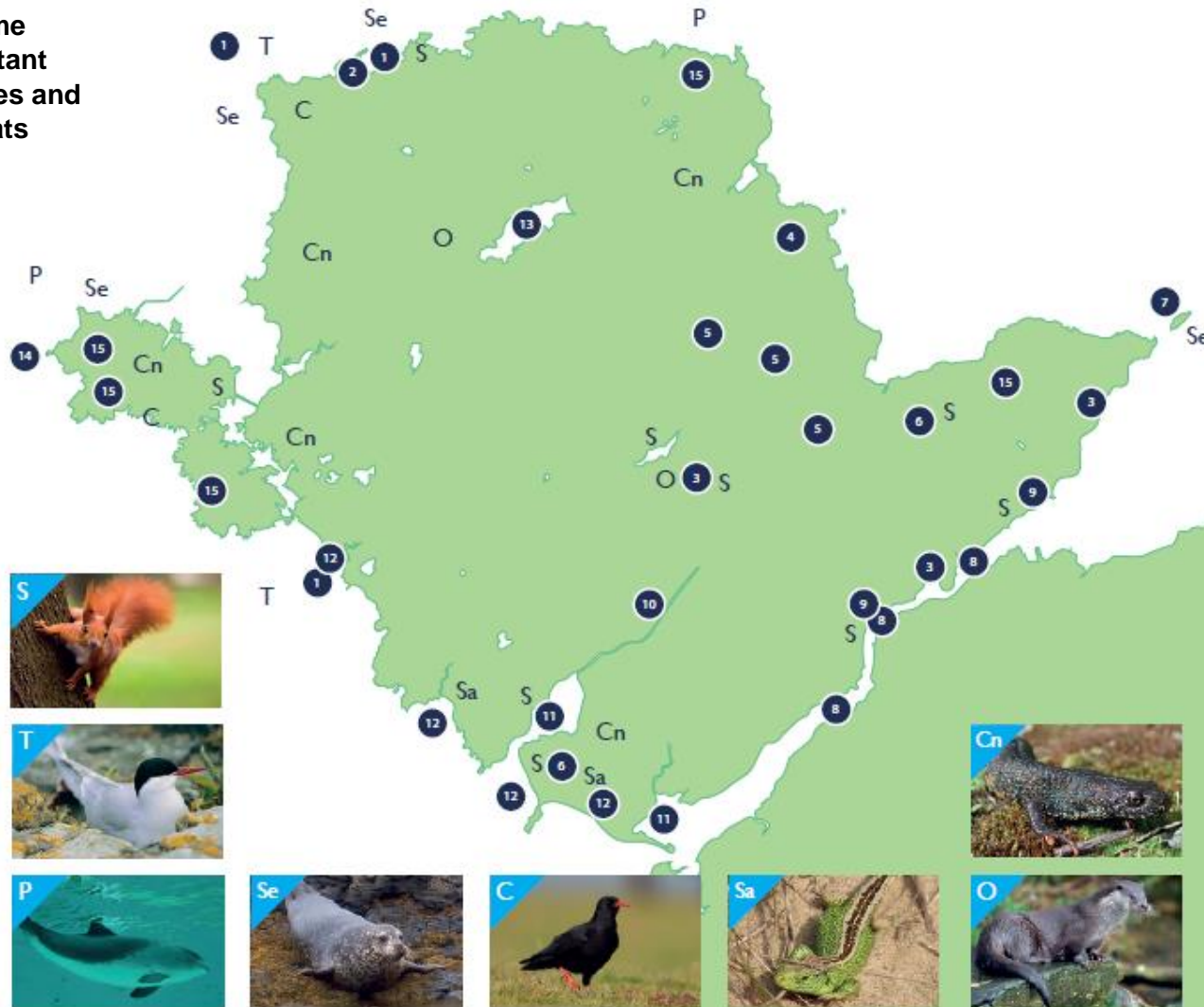
Species that can be found in this habitat include black bog rush, various orchids, insectivorous plants, dragonflies and butterflies. Also to be found here are rare blood-sucking medicinal leeches, as well as newts, frogs, toads and many birds, including the rare grasshopper warbler.

Historically these wetlands used to stretch from Malltraeth to Lligwy, but today fens are centered at the key sites of [Cors Goch](#) [6], [Cors Erddeiniog](#) National Nature Reserves, and [Cors Bodeillio](#).

Below: figures: 6 (left) and 7 (right)



#### 4. Some Important Species and Habitats



#### Map Key

- 1 Tern Breeding Sites - Skerries, Cemlyn, Ynys Feurig
- 2 Rare Salt Lagoon - Cemlyn
- 3 Local Nature Reserve Woodland - Aberlleiniog, Dingle, Menai Bridge
- 4 Limestone Pavement - Din Lligwy
- 5 Anglesey FENS - Cors Goch, Cors Erddeiniog, Cors Bodeilio
- 6 Red Squirrels - Pentraeth, Newborough Forest, Lyn Cefni Woods, Bodorgan
- 7 Seals & Sea Birds - Puffin Island
- 8 Rare Sea Life and Tidal Flow - Menai Straits
- 9 Woodland - Menai Straits (Land)
- 10 Breeding Birds - Malltraeth Marsh
- 11 Salt Marsh - Newborough, National Nature Reserve
- 12 Sand Dunes - Aberfraw, Newborough, Rhosneigr
- 13 Breeding Swans - Llyn Alaw
- 14 Sea Bird Breeding Site - South Stack (RSPB)
- 15 Coastal Heathland - Ynys Cybi, Amlwch, Llanddona

#### Species

S	Red Squirrel	C	Chough
T	Tern	Sa	Sand Lizard
P	Porpoise	O	Otter
Se	Seal	Cn	Crested Newt



Some Examples of Biodiversity on Anglesey

## 5. The County Council's Duties in Law

Under the Environment (Wales) Act 2016 (Section 6) all public bodies in Wales are required to:

- Maintain and enhance biodiversity when carrying out their responsibilities and in doing so promote the resilience of ecosystems;
- Demonstrate an ecosystem approach by applying the principles set out in the Act;
- Prepare and publish a plan outlining how they intend to fulfil the duty;
- Publish a report, every three years (from 2019), on the actions which they have taken to meet this duty.

**What does this mean?** This requirement means that the County Council needs to consider its impact and relationship to the natural environment in all its activities. It is to seek to keep and, if possible, improve existing wildlife interest at the sites it owns and works with, considering this all in relation to the wildlife that is in surrounding areas.

The s6 duty aims to ensure that the consideration of biodiversity becomes an integral part of the decisions and actions that public authorities take in relation to Wales.

Links to Plans and Strategies relating to Anglesey can be found in **Annex C**.

## 6. Isle of Anglesey County Council's Biodiversity Actions (2021-2022)

The Well-being of Future Generations Act requires each public body in Wales to carry out sustainable development and that this must be done by demonstrating the five ways of working. The actions set out in the table below demonstrate how the Council aim to meet the objectives set out in this Plan and, in doing so, comply with the duty to demonstrate the five ways of working, namely:

- Thinking for the long-term;
- Prevention;
- Integration;
- Collaboration; and
- Involvement.

<b>Biodiversity Plan Objective 1</b>		<b>Engage and support participation and understanding to embed biodiversity throughout decision making at all levels</b>				
<b>Action</b>	<b>Lead</b>	<b>Service(s)</b>	<b>Year</b>		<b>Performance Measure</b>	<b>Outcome</b>
			<b>2021</b>	<b>2022</b>		
The County Council needs to consider its impact and relationship to the natural environment in all its activities.	Deputy Chief Executive	All	✓	✓	Reference to consideration of biodiversity duty in relevant Corporate and Service policy documents and plans	Work towards achieving the Resilient Wales goal set in WFGA
Reactivate Anglesey Wildlife Forum as the Local Nature Partnership and ensure that there is a strong relationship between the LNP and Council services	Planning Built & Natural Environment Manager	Regulation and Economic Development	✓	✓	Regular meetings of LNP	
Adopt a Corporate Biodiversity Plan to deliver on the biodiversity and ecosystems resilience duty	Director of Place and Wellbeing/Interim Head of Service (Reg. & Econ. Dev.)	All	✓		Adoption of Plan by Executive Committee	Compliance with the biodiversity and ecosystems resilience duty
Publish report on how actions set out in the Biodiversity Plan are being met or worked towards	Planning Built & Natural Environment Manager	All		✓	Publication of report	
Engage with Heads of Service to note the requirements within the Biodiversity Duty	Director of Place and Wellbeing/Interim Head of Service (Reg. & Econ. Dev.)	All	✓		Appropriate actions included in Service Delivery Plans	Inclusion of biodiversity-related success criteria within Service Delivery Plans

Assess relevant policy documents for inclusion of biodiversity references and suggest amendments where necessary	Planning Built & Natural Environment Manager	All	✓	✓	Policy documents amended (where necessary) to include reference to biodiversity maintenance and enhancement	
Link biodiversity benefits to Climate Change Strategy, decarbonisation agenda and waste reduction/recycling programmes	Deputy Chief Executive  Head of Service (Highways, Waste and Property)	All	✓	✓	Reduced carbon emissions; Increased recycling rate/reduced landfilling to drive down emissions; Increased tree planting/greening of the environment	Affect behavioural change



<b>Biodiversity Plan Objective 2</b>		<b>Safeguard species and habitats of principal importance, improve their management and ensuring new development respects and makes a contribution towards overall biodiversity</b>					
<b>No.</b>	<b>Action</b>	<b>Lead</b>	<b>Service(s)</b>	<b>Year</b>		<b>Performance Measure</b>	<b>Outcome</b>
				<b>2021</b>	<b>2022</b>		
2.1	Enter into service level agreement (SLA) with Cofnod Local Environmental Records Centre (LERC)	Planning Built & Natural Environment Manager	Regulation & Economic Development			SLA in place	Obtain best and current evidence to inform development plan policy formation and development control decision making
2.2	Give significant weight to the inclusion of biodiversity enhancements in planning applications.	Development Management Manager	Planning Function	✓	✓	Key performance indicator monitoring data	Ensure that proposals to develop land consider biodiversity and ecosystem resilience at an early stage.
2.3	Securing compliance with relevant planning conditions/planning obligations requiring biodiversity enhancement in approved schemes to develop land	Planning Enforcement Manager	Planning Function	✓	✓	Key performance indicator monitoring data	
2.4	Provision of advice on biodiversity-related issues when consulted on applications	Planning Built & Natural Environment Manager	All	✓	✓	Key performance indicator monitoring data	Raise awareness of environmental legislation

Biodiversity Plan Objective 3		Increase the resilience of our natural environment by restoring degraded habitats and habitat creation					
No.	Action	Lead	Services	Year		Performance Measure	Outcome
				2021	2022		
3.1	Include biodiversity enhancements in new IACC schemes. For example: tree planting and wildlife areas for new schools. Create habitats in new projects, such as ponds, wetland, new tree planting.	Director of Place and Wellbeing/Interim Head of Service (Reg. & Econ. Dev.)	Highways, Waste & Property; Education; Destination Function	✓	✓	Note percentage increase in trees planted, new habitat created etc.	Create, maintain and enhance habitat
3.2	Protect and Enhance Wildflower verges	Head of Service (Highways, Waste & Property)	Highways, Waste & Property; Destination Function	✓	✓	Ensure all wildflower verges are clearly indicated to verge cutters and that the highways conservation verges map is up to date.	
3.3	Removal/replacement tree planting arising from Ash Dieback and establishment of recording system (including acquisition of tree asset management software)	Director of Place and Wellbeing/Interim Head of Service (Reg. & Econ. Dev.)	Planning Function	✓	✓	Increase in tree numbers as a result of replacement planting following removal of infected, dead or dying trees. Maintenance of records of existing/removed/replanted trees	
3.4	Require maintenance/replacement of hedgerow in development schemes and enforce unauthorised removal	Director of Place and Wellbeing/Interim Head of Service (Reg. & Econ. Dev.)	Planning Function; Destination Function	✓	✓	Limit loss of native hedgerow and replanting where necessary	

3.5	Take necessary actions to ensure cleanliness of rivers and waterways	Director of Place and Wellbeing/Interim Head of Service (Reg. & Econ. Dev.)	Planning, Environmental Health and Destination Functions	✓	✓	Increased biodiversity in and adjacent to rivers and waterways; improved bathing water quality	
3.6	Encourage officers to consider biodiversity impacts and mitigation, e.g. replace trees, where necessary to remove, with native species	Director of Place and Wellbeing/Interim Head of Service (Reg. & Econ. Dev.)	All	✓	✓	Improved quality of habitat/increase in available habitat resulting from development of Council estate	Maintain and enhance biodiversity on IACC estate
3.7	Adopt a Tree Plan	Deputy Chief Executive	Planning Function; Destination Function			Adoption of Plan by Executive Committee	
3.8	Identify opportunities for habitat creation/improvement within the Council estate	Planning Built & Natural Environment Manager	Planning Function/Property Function			Submission of scheme to claim WG "Greening of the Council Estate" funding	
3.9	Engagement with Volunteer groups to capitalise on opportunities to promote biodiversity and identify possible collaborative working opportunities	Planning Built & Natural Environment Manager	Planning & Destination Functions	✓	✓	Regular meetings of the LNP; Uptake of grant funding to enable habitat restoration schemes	Restoration of degraded habitat
3.10	Identify and apply for external funding where necessary	Director of Place and Wellbeing/Interim Head of Service (Reg. & Econ. Dev.)	All	✓	✓		Financing the realisation of specific projects

Biodiversity Plan Objective 4		Tackle key pressures on species and habitats					
No.	Action	Lead	Services	Year		Performance Measure	Outcome
				2021	2022		
4.1	Ensure that development proposals maximise use of previously developed land	Development Management Manager	Planning Function	✓	✓	Key performance indicator monitoring data	Secure development and urbanisation that reduces demand for greenfield sites and incorporates biodiversity enhancement proposals
4.2	Ensure that development proposals include provisions for biodiversity enhancements where appropriate	Development Management Manager	Planning Function	✓	✓	Key performance indicator monitoring data	
4.3	Prepare a Plan to adapt to and mitigate climate change and enable the Island and County Council to adapt to life in a changing climate	Deputy Chief Executive	All	✓		Adoption of Climate Change Plan by Executive Committee/Full Council	Positively adapt to and mitigate climate change and global warming
4.4	Continue to promote waste reduction and build upon the Council's successful recycling initiatives	Head of Service (Highways, Waste & Property)	Waste Management Function	✓	✓	Reduced tonnage of waste to landfill and increased recycling of municipal waste	
4.5	Increase fleet of pool electric cars and prioritise their use over personal vehicles when on Council business	Head of Service (Highways, Waste & Property)	All	✓	✓	Enhanced fleet of electric vehicles	
4.6	Realise opportunities for active travel routes, particularly where	Head of Service (Highways, Waste & Property)	Highways Function	✓	✓	Increased length of active travel route availability	

	disused former transport corridors are concerned						
4.7	Support projects/initiatives undertaken to secure removal of INNS eg projects overseen by Countryside and AONB Team and partners	Planning Built & Natural Environment Manager	Planning/Destination Functions	✓	✓	Uptake of grant funding to enable INNS reduction schemes	Reduction of incidence of INNS
4.8	Encourage the use of secondary/recycled aggregates over primary material where appropriate in development	North Wales Minerals and Waste Planning Service Manager	North Wales Minerals and Waste Planning Service	✓	✓	Reduction in inert waste landfilling tonnages/increase in secondary aggregate sales	Reduce exploitation of natural resources and environmental degradation

<b>Biodiversity Plan Objective 5</b>		<b>Improve our evidence, understanding and monitoring and increase awareness, understanding and appreciation of biodiversity</b>					
<b>No.</b>	<b>Action</b>	<b>Lead</b>	<b>Services</b>	<b>Year</b>		<b>Performance Measure</b>	<b>Outcome</b>
				<b>2021</b>	<b>2022</b>		
5.1	Prepare and circulate electronic bulletin/newsletter highlighting relevant areas for compliance with wildlife law (all IACC elected members, staff and Town and Community Councils). Bulletin to be reviewed on a regular basis and updated where necessary	Planning Built & Natural Environment Manager	Planning Function	✓	✓	Circulation of bulletin/newsletter to all members and staff	Raise biodiversity awareness amongst IACC staff, elected members and Town and Community Councils
5.2	Roll out appropriate biodiversity training to relevant officers and elected members	Planning Built & Natural Environment Manager	Planning Function; Destination Function	✓	✓	Attendance figures for relevant training events	
5.3	Undertake a biodiversity audit of IACC buildings and landholdings	Planning Built & Natural Environment Manager/Equivalent Manager in Property Function	Planning & Property Functions	✓		Completion of audit	Improved understanding of biodiversity on IACC property and identify opportunities to protect and enhance local biodiversity
5.4	Option to target obvious gain areas rather than blanket approach, e.g. where bat boxes and nest boxes could be fitted to IACC buildings.	Planning Built & Natural Environment Manager/Equivalent Manager in Property Function	Planning & Property Functions	✓		Actions undertaken to install biodiversity- enhancing “infrastructure”	

Biodiversity Plan Objective 6		Put in place a framework of governance and support for delivery					
No.	Action	Lead	Services	Year		Performance Measure	Outcome
				2021	2022		
6.1	Establish an inter-service officers' group with responsibilities to monitor progress of Plan actions and co-ordinate the reporting function.	Director of Place and Wellbeing/Interim Head of Service (Reg. & Econ. Dev.)	All	✓		Regularity of meetings and production of report(s)	A fully-informed Council that can deliver on its s6 duty and promote biodiversity recovery and ecosystem resilience
6.2	Undertake a programme of regular briefing updates (at least every quarter) with the Environmental Portfolio Holder/Biodiversity Champion	Planning Built & Natural Environment Manager	Planning Function	✓	✓	Regularity of meetings with Portfolio Holder	
6.3	Increase collaboration between IACC & relevant organisations / partnerships in order to improve collaborative working and joint funding opportunities on biodiversity matters	Planning Built & Natural Environment Manager	Planning Function & relevant organisations (eg – NRW, NWWT, RSPB)	✓	✓	Secure grant-funding to employ a Local Wildlife Officer and fund local biodiversity projects through the LNP	
6.4	Explore opportunities for IACC procurement team to include biodiversity in procurement considerations e.g. using wood products from sustainable sources and using peat-free compost.	Procurement Function	All	✓	✓	Movement to a procurement system that embraces biodiversity maintenance and enhancement in its sourcing of materials	

## **7. Monitoring and Reporting**

Monitoring of progress in respect of the actions will be ongoing over the term of the Plan and, given the range of actions proposed, will involve feedback from all County Council Services to which the actions apply. Regular monitoring will allow flexibility in terms of addressing changing priorities or meeting deficiencies in the Plan thereby making it a dynamic and proactive document.

Internally, progress on meeting planned actions will be reported to the appropriate forum (Full Council, Executive etc.) with an inter-service officers' group set up to co-ordinate the reporting function. Externally, the Council must prepare a Report on how it is meeting the s6 duty every three years as of 2019.



## Annex A - Well-being of Future Generations (Wales) Act

The Well-being of Future Generations (Wales) Act was introduced with the aim of improving the social, economic, environmental and cultural well-being of Wales.

The Act encourages public bodies to plan longer-term, working in a more sustainable way, considering potential impact upon the future generations of Wales while making decisions.

Public bodies have to main actions in carrying out sustainable development:

- a) Setting & publishing objectives (“well-being objectives”) that are designed to maximise its contribution to achieving each well-being goal, and
- b) Taking all reasonable steps (in exercising its functions) to meet those goals.

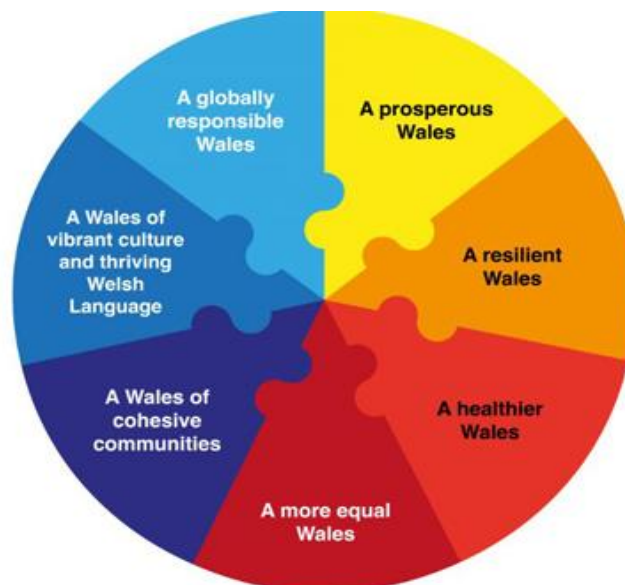
In order to ensure all public bodies in Wales are working towards the same vision, seven well-being goals were established.

### Well-Being of Future Generations Act Goals

- Biodiversity features heavily within the seven goals of the Well-Being of Future Generations Act, mainly:
  - 1) **A Resilient Wales – A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).**

Biodiversity also features within the other Well-being goals:

- 2) A Healthier Wales;
- 3) A more Equal Wales;
- 4) A Wales of Cohesive Communities;
- 5) A Wales of vibrant Culture and thriving Welsh language;
- 6) A Globally responsible Wales;
- 7) A Prosperous Wales.



## Annex B – The Nature Recovery Plan for Wales

The Nature Recovery Plan for Wales is aimed at addressing the underlying causes of biodiversity loss by:

- Putting nature at the heart of decision making;
- Increasing the resilience of the natural environment;
- Taking specific action for habitats and species.

It sets out how Wales will deliver the commitments of the UN Convention on Biological Diversity and the EU Biodiversity Strategy to halt the decline in our biodiversity by 2020 and then reverse that decline.

The Welsh Government has published the Nature Recovery Plan for Wales, which sets out six objectives for reversing the decline of biodiversity to address the Convention on Biological Diversity (CBD) commitments. A list of these objectives can be seen in the table below.

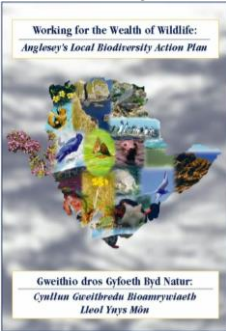
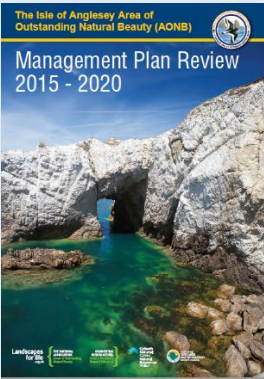
The full Nature Recovery Plan can be viewed by following this link -

<https://gov.wales/docs/desh/publications/160225-nature-recovery-plan-part-1-en.pdf>

Objective No.	Nature Recovery Plan Objectives
1	Engage and support participation and understanding to embed biodiversity throughout decision making at all levels
2	Safeguard species and habitats of principal importance and improve their management
3	Increase the resilience of our natural environment by restoring degraded habitats and habitat creation
4	Tackle key pressures on species and habitats
5	Improve our evidence, understanding and monitoring
6	Put in place a framework of governance and support for delivery

## Annex C: Links to Plans and Strategies

Plan / Strategy	Relevant Section
<p><b>Isle of Anglesey County Council – Corporate Plan</b></p>  <p>Isle of Anglesey County Council Plan 2017 - 2022</p>	<p><b>Objective 3</b> – ‘Work in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment.’</p> <p><a href="http://www.anglesey.gov.uk/Journals/e/b/q/2017---2022-Plan.pdf">http://www.anglesey.gov.uk/Journals/e/b/q/2017---2022-Plan.pdf</a></p>
<p><b>Gwynedd &amp; Anglesey Well-being Plan</b></p>  <p>GWYNEDD &amp; ANGLESEY WELL-BEING PLAN 2018</p>	<p><b>Objective 2</b> – ‘The importance of protecting the natural environment.’</p> <p><b>Objective 5</b> – ‘Promoting the use natural resources to improve health and well-being in the long-term.’</p> <p><a href="https://www.llesiantgwyneddamon.org/en/">https://www.llesiantgwyneddamon.org/en/</a></p>
<p><b>North West Wales Area Statement</b></p> 	<p>North West Wales Themes:</p> <ul style="list-style-type: none"> <li>• Ways of Working;</li> <li>• Climate and Nature Emergency;</li> <li>• Reconnecting People with Nature;</li> <li>• Encouraging a Sustainable Economy;</li> <li>• Supporting Sustainable Land Management; and</li> <li>• Opportunities for Resilient Ecosystems.</li> </ul> <p><a href="https://naturalresources.wales/about-us/area-statements/north-west-wales-area-statement/?lang=en">https://naturalresources.wales/about-us/area-statements/north-west-wales-area-statement/?lang=en</a></p>
<p><b>Joint Local Development Plan</b></p>  <p>Anglesey and Gwynedd Joint Local Development Plan 2015 - 2026 Written Statement 31 July 2017</p>	<p><b>Managing Growth &amp; Development: Sustainable Living</b> - ‘Protect and improve the quality of the natural environment, its landscapes and biodiversity assets, including understanding and appreciating them for the social and economic contribution they make in accordance with Strategic Policy PS 19.’</p> <p><a href="http://www.anglesey.gov.uk/planning-and-waste/planning-policy/joint-local-development-plan-anglesey-and-gwynedd/">http://www.anglesey.gov.uk/planning-and-waste/planning-policy/joint-local-development-plan-anglesey-and-gwynedd/</a></p>
<p><b>Regulation &amp; Economic Development – Service Delivery Plan</b></p>  <p>Cymran Ddeddf (Governance) 2016-18 Service Delivery Plan 2016-18</p>	<p><b>Development Priority</b> - ‘Manage and control the development and use of land and buildings within a robust policy framework to support the economy, maintain sustainable communities and safeguard the environment’</p> <p><b>Key Action</b> – ‘Maintain the quality and distinctiveness of the built and natural environment (building, conservation, landscape and ecology)’</p>

<p><b>Local Biodiversity Action Plan</b></p> 	<p>The whole document is relevant, though somewhat dated in places (it was published in 2002/03). Local priority Habitats and Species in particular are very relevant to considerations for action on the island – see Annex D of the present document.</p>
<p><b>AONB Management Plan</b></p> 	<p>Theme: Maintaining Nature and the Environment</p>

## Annex D – Local Priority Habitats & Species

### Key Habitats and Species Identified for Conservation Purposes.

Lists of habitats and species of principal importance for maintaining and enhancing biodiversity in Wales under Section 7 of the Environment (Wales) Act 2016 can be found on the following web link:

<https://www.biodiversitywales.org.uk/Environment-Wales-Act>

The present plan does not replace Anglesey's Local Biodiversity Plan (LBAP), published in 2002 (with additions in 2003). Although various parts of the LBAP are now out of date, the lists of **Local Priority Habitats and Species** are still very much relevant for conservation on the island. These are given below. Further information on the LBAP can be found at:

<https://www.anglesey.gov.uk/en/Residents/Countryside/Biodiversity/What-are-we-doing-to-help-biodiversity-on-Anglesey.aspx>

SPECIES	HABITATS
PIPISTRELLE BAT	Broadleaved Woodland
RED SQUIRREL	Ancient Hedgerows
WATER VOLE	Lowland and Coastal Heath
OTTER	Coastal and Floodplain Grazing Marsh
HARBOUR PORPOISE	Sand Dunes
BITTERN	Coastal Saline Lagoons
SONG THRUSH	River and Stream Habitats
GREAT CRESTED NEWT	Ponds
SHORE DOCK	Sandy Beaches
PETALWORT	Sea Cliffs and Rocky Shores
CHOUGH	Flower-rich road Verges
BROWN HARE	Gardens
NOCTULE BAT	Reedbeds
LESSER HORSESHOE BAT	Fens
CORNCRAKE	Lakes
SKYLARK	Field Edges
GREY PARTRIDGE	Scrub
BARN OWL	Plantations
SOUTHERN DAMSELFLY	Limestone Pavements
MARSH FRITILLARY	Seagrass Beds
MEDICINAL LEECH	
THREE-LOBED WATER CROWFOOT	
SLENDER GREEN FEATHER MOSS	





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<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>Executive Committee</b>
<b>Date:</b>	<b>25<sup>th</sup> January 2021</b>
<b>Subject:</b>	<b>Welsh Government Bus Emergency Scheme (BES) – Request to all councils to sign up to BES 2 Scheme</b>
<b>Portfolio Holder(s):</b>	<b>Councillor Robert G Parry OBE FRAGs</b>
<b>Head of Service / Director:</b>	<b>Huw Percy - Head of Service Highways, Waste and Property</b>
<b>Report Author:</b> Tel: E-mail:	<b>Iwan Cadwaladr</b> <b>2455</b> <a href="mailto:iwancadwaladr@anglesey.gov.uk">iwancadwaladr@anglesey.gov.uk</a>
<b>Local Members:</b>	<b>All wards</b>

<b>A –Recommendation/s and reason/s</b>
<p>Recommendation 1</p> <ul style="list-style-type: none"> <li>• to agree to the principles of the BES 2 agreement (Appendix 2) to secure (conditional) financial support for the bus sector and to establish a relationship with their regional lead authority and signatory, that ensures that the ongoing emergency funding meets the authority’s priorities and is delivered on its behalf.</li> </ul> <p>Recommendation 2</p> <ul style="list-style-type: none"> <li>• to call for a further report on bus reform proposals relating to the future management of bus services in Wales.</li> </ul> <p>This report sets out the wider context, the background to, and reasons for the Bus Emergency Scheme (BES) and seeks the agreement of this authority to sign up to the BES2 scheme.</p>

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

This is the option being offered by the Welsh Government and the Authority would not be able to fund the required subsidy for bus operators without WG support.

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

It is recommended that we seek Executive approval for this decision.

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

The Council supports the use of public transport.

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

The decision would ensure that subsidy for bus operators continues to be received.

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

1	<b>How does this decision impact on our long term needs as an Island</b>	This proposal is intended to protect local authorities and bus services. It will operate for an initial maximum term of up to 2 years from the date BES 1.5 commenced (i.e. up until 31 July 2022, unless market conditions recover sufficiently for an operator to no longer require BES support for any of its services whether they be contracted or commercial).
2	<b>Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-</b>	BES 2 will continue to address the loss of farebox revenue and the additional costs associated with responding to the pandemic. Under BES 2 the Welsh Government funding will sit alongside local authority funding provided through the Concessionary Travel Scheme and via Revenue Support Grant and the Bus Services Support Grant to make up the shortfall.

3	<b>Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:</b>	The decision reflects ongoing dialogue between Welsh Government and local authorities.
4	<b>Have Anglesey citizens played a part in drafting this way forward? Please explain how:-</b>	Not applicable
5	<b>Outline what impact does this decision have on the Equalities agenda and the Welsh language</b>	The decision does not have any welsh language implications.

<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)	
3	<b>Legal / Monitoring Officer</b> (mandatory)	
4	<b>Human Resources (HR)</b>	
5	<b>Property</b>	
6	<b>Information Communication Technology (ICT)</b>	
7	<b>Procurement</b>	
8	<b>Scrutiny</b>	
9	<b>Local Members</b>	

<b>F - Appendices:</b>
Appendix 1 – briefing note Appendix 2 – full proposed agreement

<b>FF - Background papers (please contact the author of the Report for any further information):</b>
Bus travel has been severely affected by the Covid-19 pandemic. Passenger numbers have plummeted, whilst social distancing and additional cleansing requirements have placed added burdens and costs on operators. Welsh Government (WG) and local authorities (LAs) have stepped in to support the sector

with substantial financial assistance. There has also been an excellent, ongoing dialogue between all parties to discuss and agree on support arrangements.

Prior to the pandemic, WG had consulted on a range of proposed changes to the way bus services are delivered in Wales. A Bus Bill was due to have been brought forward during the current Senedd term. Pressures associated with not only Covid but also the large volume of legal work generated by Brexit and the transition period forced WG to postpone the planned legislation.

Due to the large amount of public funding that goes into bus services from WG and LAs, WG would like to see the public sector having greater influence over areas such as the networks of services provided, ticketing and integration with rail services. It also sees a greater role for Transport for Wales, which is now responsible for rail services in Wales.

This raises two issues: (i) short term survival of operators and (ii) longer term reform of the sector. WG believes that these two can be linked. In the short term, the funding being provided to keep operators afloat is therefore being provided with a number of conditions attached. These are to incentivise operators to engage in planned changes that are in line with their longer-term ambitions for reform.

The Minister of Economy and Transport and North Wales, Ken Skates MS, has met with Leaders of all 22 LAs, along with his officials, to outline Welsh Government's direction of travel. Further details have been included in the Wales Transport Strategy (WTS) which has been the subject of consultation. More recently, the Deputy Minister, Lee Waters MS, met with all Leaders to discuss the WTS but also to encourage LAs to sign up to the Bus Emergency Scheme 2 (BES2). This is the latest phase of financial support to help operators through the period of the pandemic (more details on BES 2 to follow).

Leaders have agreed to establish a WGA Bus Member Group, with a focus on the longer-term proposals to reform the sector's operations. That group includes the WLGA Leader (who is also the WLGA's Transport Spokesperson), the deputy Transport Spokesperson, the chairs of the four regional transport bodies and the co-chairs of the WLGA Rural Forum. That Member Group is due to meet with Lee Waters on 18<sup>th</sup> January 2021.

The problems facing operators were recognised at an early stage of the pandemic. Looking ahead, to secure their services for the future, LAs agreed to continue making payments for contracted services even though many services were initially suspended.

Alongside this, WG stepped in to help operators deal with reduced income on commercially operated routes and the additional costs being incurred. Initially, WG made £29m available from a Hardship Fund, which operated from April 2020 for three months. This Fund was assembled from monies that would otherwise have been paid via Bus Services Support Grant, Mandatory Concessionary Fare reimbursement and the 'My Travel Pass' scheme.

The Bus Emergency Scheme was then introduced in July to provide ongoing support. This became known as 'BES 1' and it continued to maintain operators' income at historic levels, based on what was being paid to them under previous grant schemes. In return for this financial support WG signalled that it expected operators to contribute to a reshaping of bus services in Wales – to include improved regional networks with greater integration with rail services, smart ticketing and timetabling.

'BES 1.5' was introduced in August, administered by the lead Authorities, through whom BSSG had been paid since 2013<sup>1</sup>. It provided £10m of so-called 'ramp up funding' to support the reopening of schools and economic activity. This funding helped to cover the cost of reinstating services suspended when travel restrictions associated with the pandemic were introduced, and which were needed to meet increasing demand, given capacity constraints of social distancing. BES 1.5 was then extended to the end of March 2021 following the announcement of a further support package in September 2020<sup>2</sup>. Operators were once again asked to sign up to a range of terms and conditions to access the BES funding.

WG, working with Transport for Wales (TfW), are now proposing to enter into a longer-term BES 2 agreement with operators and local authorities to protect services. It will operate for an initial maximum term of up to 2 years from the date BES 1.5 commenced (i.e. up until 31 July 2022, unless market conditions recover sufficiently for an operator to no longer require BES support for any of its services whether they be contracted or commercial).

BES 2 will continue to address the loss of farebox revenue and the additional costs associated with responding to the pandemic. Under BES 2 the WG funding will sit alongside local authority funding provided through the Concessionary Travel Scheme and via Revenue Support Grant and the Bus Services Support Grant to make up the shortfall.

Welsh Government will be a co-signatory to the BES 2 agreement with bus operators, along with Transport for Wales<sup>3</sup>. LAs retain legal responsibilities for bus services and therefore remain central to determining which local services receive this support. They need to sign up to the principle of the agreement and the relationship with their Lead

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<sup>1</sup> The lead authority acts as a conduit for BSSG funding from Welsh Government to operators. Current lead authorities are Monmouthshire (for South East Wales); Flintshire (for North Wales); Swansea (for South West Wales), Ceredigion and Powys. Within each LA, transport staff play an important role liaising with operators on a range of issues to meet local Members' requirements. The roles include administration of Concessionary Fares reimbursement and provision of support for contracted journeys on non-profitable routes.

<sup>2</sup> Overall, an additional £45m has been provided by WG to support the bus sector this financial year including the £10m ramp up funding an extra £35m from September to the end of the year..

<sup>3</sup> Given that the agreement is under discussion between Welsh Government, operators and Transport for Wales as well as local authorities, and must be approved by all parties, it may be subject to some changes before it is finalised.

Authority, in ensuring that the ongoing emergency funding meets their priorities and is delivered on their behalf. This will provide the legal basis for WG to make payments to the operators. **In this way, WG can use its powers to support operators, whereas the additional funding would breach local authorities' de minimis limits for direct award contracts** (further details in the briefing note in Appendix 1 and the full proposed Agreement is in Appendix 2). LAs will remain responsible for those services which they currently contract directly with bus operators. LAs will need to consider planning for contingencies, such as if the BES2 agreement is not signed or the level of funding for BES2 is reduced during the period of the agreement.

1. Key features of BES 2 will be as follows:

- maximum term until 31<sup>st</sup> July 2022 or until operators enter into an embedded partnership agreement
- development and delivery of a Reference Network, intended to provide a range of benefits to communities; multi-operator ticketing, and operator sign-up to an Economic Contract at the heart of WG's Economic Action Plan (and its principles of fair work, health, decarbonisation, skills and learning etc)

long term co-operation and co-ordination across TfW, LAs and operators by entering

- into partnerships with a clear set of obligations and shared standards
- one agreement per operator in each of the regions that they work in, signed by Welsh Government, TfW, a lead authority and the operator

operators will be allowed to make a (capped) profit on services that has not been possible under emergency funding to date.

## **Beyond BES 2**

Discussions are starting to take place in relation to the planning of future networks<sup>4</sup> and the respective roles of WG, TfW, LAs and operators. It is important to note that these are not the prime focus of BES2 agreement. It will be vitally important for further detailed discussions to take place with Members on these matters. However, this is not a reason to delay the signing of the BES 2 agreement. WG does believe that the BES2 offer will help to engage operators in the discussions about the future at a time when their income is

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<sup>4</sup> The reference network will need to be designed and agreed collectively by WG, TfW and LAs and discussed with operators. An All-Wales Bus Network officer group has been established to progress the thinking around this.  
V1.2 GM10.9.19

more dependent than ever on public sector support. In signing up to BES 2, though, LAs are agreeing to financial support being provided to the sector. They are not committing themselves to any specific, future model of bus service management as that will be the subject of further debate.

## **BES 2 Agreements: Local Authority legal briefing**

The BES 2 Agreement provides continued funding to support the bus industry during recovery from the impact of COVID-19. It reflects continued provision of funding from Welsh Government to support the bus industry, and has been drafted to support continued provision of services on a basis which provides a more structured, long-term arrangement. This note summarises the key legal issues that may affect local authorities.

### 1. Parties

#### 1.1 The agreement has the following parties:

- Welsh Government – responsible for provision of funding and contracting with the operator for the provision of any additional services or standards that would not be provided in the absence of that funding.
- Operator – there is a separate agreement for each operator of local bus services in each region
- Transport for Wales – as for previous BES agreements, Transport for Wales is responsible for certain elements of the administration of the agreement.
- Lead Authority – as with BES 1.5 it is expected that a lead authority for each region will be a signatory to the agreement, managing the operator on behalf of the local authorities in their region, and coordinate some of the future activities proposed under the arrangements.

1.2 Note that it is not intended that each local authority will be a party to every agreement with every operator, but that this will be managed by the Lead Authority for the region. As with previous BES arrangements it will therefore be important that arrangements are made at regional level to agree how the contracts will be managed, including ensuring that there is sufficient local input into the exercise of Lead Authority obligations.

### 2. Approach to contract

2.1 The previous BES arrangements relied primarily on grant funding arrangements, including funding provided under COVID-19 specific frameworks for aid. However, the current BES 1.5 arrangements recognised that the approach taken in Wales to focus funding on necessary services meant that the arrangements may be viewed as a public service obligation contract (PSO), which provides greater flexibility for input by local authorities into the services that their local bus operators provide.

2.2 The BES 2 arrangements further reflect this, and are drafted primarily as a PSO directly awarded to each operator by Welsh Government. These are applied both to allow for the continuation of services which were formally commercial services, prior to the impact of COVID-19, and also to cover the additional costs relating to the continued provision of secured services as a result of COVID-19 (including both additional costs incurred as a result of e.g. social distancing, as well as covering the costs associated with lost revenue). The contracts are awarded by Welsh Government after careful consideration as to whether local authority powers could be relied upon – powers are available to Welsh Government because it is not possible to consistently make use of local authority powers for these temporary measures.

2.3 Local authorities already let PSOs through their section 63 powers. Consideration was given to whether section 63 powers could be used for this contract, and the decision was taken that this would not be appropriate because:



- Direct award of section 63 contracts is limited – local authorities would typically directly award service contracts through *de minimis* provisions, which have a limit of 40% of tendered service budgets. Seeking to provide funding through this route would not be possible where the *de minimis* cap was already, or would reach the *de minimis* cap, and therefore does not seem a viable way to fund services during the COVID-19 emergency. In any event, it is expected that local authorities will require these powers to award service contracts to meet specific local needs as operators exit BES 2. Whilst there are also emergency powers that can be used to direct award such contracts, they can only be used on a temporary basis and must be followed by a competition, and therefore are unsuitable for the current purposes.
- a competitive procurement of section 63 contracts is unlikely to be practicable, and does not provide the flexibility required to ensure that operators are providing the services needed during the COVID-19 crisis. Once services have been stabilised, the expectation is that local authorities would then use competitive procurement to procure continued services where they remain unviable commercially.

2.4 The contract is therefore based on use of Welsh Government powers under section 7 Transport (Wales) Act 2006, which mirrors the section 63 powers, but would only be expected to be utilised where local authorities cannot exercise their section 63 powers. This provides for a clear division between:

- Temporary BES support for services – provided by Welsh Government under section 7 powers.
- Changes in underlying procured service contracts to reflect the long-term requirement for services in absence of COVID-19 – provided by local authorities under their section 63 powers.

2.5 The approach taken is therefore to layer the PSOs under the BES2 arrangements on top of existing arrangements e.g. they act as a temporary variation to any existing section 63 contract or commercial service, in each case providing funding to allow the operator to continue to operate those services, during the impact of COVID-19, with the provisions of BES2 falling away once that service becomes commercial again, or the BES2 arrangements come to an end. The exercise of Welsh Government powers under a direct award approach is limited to a maximum of 2 years (which would include the period from the start of BES 1.5, due to the possibility of payments under BES 1.5 also relying upon these powers), but could end sooner, if the market recovers.

3. Effect on existing section 63 contracts

3.1 Rather than letting new contracts in respect of provision of services that are currently provided under section 63 contracts, the BES2 arrangements aim to leave those arrangements in place and layer the additional support required to continue providing those services on top of the existing section 63 contracts.

3.2 Under the BES2 arrangements the Lead Authority therefore acknowledges on behalf of local authorities that, to the extent required, section 63 contracts are amended to allow for any additional payments required to the operators to allow continued provision of the services and to make any service alterations agreed with the local transport authority for the period of the BES2 arrangements. These amendments will reflect agreed service changes agreed at the local and regional level as being required during the impact of COVID-19

3.3 These amendments apply whether contracts are let on a net cost or gross cost basis. In each case the BES 2 contract sets out the implications of those amendments from a procurement

perspective, and sets them within the appropriate procurement regime, setting out an approach to minimise procurement challenge risk associated with the short term amendment.

- 3.4 To the extent that the form of section 63 contract has any contractual processes that are required to be followed to allow for such amendment, the BES 2 agreements require the local transport authority to comply with such processes, so that changes can be effected.
- 3.5 Where BES2 arrangements come to an end, the variations effected also come to an end, and the section 63 contracts should continue as before for any remaining term.
4. Effect on future section 63 contracts
  - 4.1 There is a risk that the effects of COVID-19 could impact on the letting of future service contracts, including the renewal of existing section 63 contracts.
  - 4.2 To avoid this, the BES 2 arrangements make specific provision for the letting by local transport authorities of new section 63 contracts, with agreement of a set of assumptions in respect of BES2 funding that will apply to all bidders for a new contract. These assumptions will reflect the agreed level of funding to be provided to support those services whilst COVID-19 still impacts services. This will allow local transport authorities to set this as an assumption in their tender documents, so that bidders can tender on a level playing field in respect of the impact of COVID-19, removing this as a concern for bidders, and allowing for more competitive bidding, reflecting a post-COVID world.
  - 4.3 This therefore allows local authorities to continue to let section 63 contracts during the term of BES2, but will require engagement with Lead Authorities, TfW and Welsh Government to ensure that appropriate assumptions are agreed and included in tenders.
5. Partnership
  - 5.1 In recognition of the level of public sector funding being provided to support the bus industry, the BES 2 arrangements also require the operators to agree to a framework (umbrella) voluntary partnership agreement at a regional level.
  - 5.2 The BES 2 arrangements therefore include a template for such an agreement which will then need to be agreed with local transport authorities in the region. The agreement provides a framework for more localised and specific voluntary partnership agreements at local level to support improved standards of bus services and partnership working at a regional level. The agreement is structured as a voluntary partnership agreement (VPA) within the meaning set out in the Transport Act 2000, and therefore is intended to provide a competition law compliant framework for future engagement with operators.
6. Standards of service
  - 6.1 The BES 2 Agreement sets out standards of service that apply to operators who are receiving funding. Whilst it is possible for operators to move away from the BES 2 Agreement and start providing services to a lower standard (and therefore does not place an express restriction on operators choosing to move to commercial service and away from BES funding, as the market recovers, so does not act as a restraint on trade). However, it also makes clear that should operators move to operate at a standard below that agreed through the BES 2 arrangements (e.g. by offering lower frequencies or timings) then it is clearly recognised that, in turn, that means that they are offering services other than to the standard required – this aligns with the test that applies for exercise of section 63 powers, so provides express justification for a future tender of services to the appropriate standard in accordance with local government powers, if the operator continues to provide services only to a lower standard. It should be noted that this

does not provide the local transport authority with the unfettered right to let such services in parallel with the commercial services, as it would also be necessary to apply the Part 1 Competition Test under Schedule 10 Transport Act 2000 to the exercise of such powers, but it does ensure that there is a clear acknowledgment from such an operator that the registration of a lower quality service does not place an express bar on the local transport authority procuring a higher quality service on the same route.

7. Level of compensation

7.1 The powers being utilised by Welsh Government to let this contract are also subject to Regulation 1370/2007 EU (which will continue in effect in 2021 with minor amendments as UK law). This regulation deals with both the relevant procurement procedure (and allows for direct award) and also sets out the appropriate state aid framework to ensure that funding provided under agreements awarded directly in this way do not amount to state aid.

7.2 As a result, the compensation mechanism used in the contract draws on the reconciliation procedures already put in place under BES 1.5 and earlier to ensure that operators are not over-compensated. Unlike BES1.5, the agreement recognises that only covering operators costs without any margin available is unlikely to be a sustainable mechanism for public transport. The agreement therefore allows operators to earn a margin of (initially) 2% whilst operating services under BES 2. This reflects the requirement under Regulation 1370/2007 that operators are entitled to earn a reasonable profit margin in providing public service obligations. In determining that margin, the rate of return can be no greater than that which is normal for the sector, taking into account the risk, or absence of risk incurred by the operator.

7.3 The impact of COVID-19 has been to materially impact the revenue received by operators, and also to change their costs. The impact of the BES arrangements has been to de-risk that process for all operators. As the impact of BES arrangement has been to, in the short term, change that risk profile by managing the risk associated with lowered patronage, there is a risk that whatever level any margin was set this could be seen as benefitting one operator over another – operators who were previously making greater profits (or losses) as a result of taking revenue risk, for example, both benefit in different ways from the provision of BES funding, but that reflects the fact that, in many cases, the BES support has also removed the risk that they were taking, and the impact of COVID-19 may have changed their costs. Therefore, as all operators have been moved to a similar risk profile and being protected in a similar way for impacts on operating costs, it therefore seems appropriate to set a consistent margin, which is the default position taken in the BES 2 agreement. It is, however, open to the public sector parties to seek to agree a different approach to margin during the term of BES 2.

7.4 It should also be noted that when the BES 2 agreements fall away, and the operator returns to the original terms of their contracts (or to commercial operation) they will continue to take the same risks, and have the same potential for profit (or loss) as they had prior to introduction of BES.

**DATED**

**2021**

**(1) WELSH MINISTERS**

**- and -**

**(2) TRANSPORT FOR WALES**

**- and –**

**(3) [*LEAD REGIONAL TRANSPORT AUTHORITY*]**

**- and –**

**(4) [*OPERATOR*]**

**AGREEMENT**

relating to

Bus Emergency Scheme 2 in respect of the  
areas of the following [*insert all Local  
Authorities in the Region*]

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**BETWEEN:**

- (1) **WELSH MINISTERS** ("Welsh Government");
- (2) **TRANSPORT FOR WALES** of 3 Llys Cadwyn, Pontypridd, Wales, CF37 4TH ("**TfW**");
- (3) [**LEAD REGIONAL TRANSPORT AUTHORITY**] of [address] acting for and on behalf of [List names of Constituent Local Authorities] ("**Lead Authority**"); and
- (4) [**OPERATOR**] of [address] registered in England and Wales with company number [number] ("**Operator**"),

(together the "**Parties**").

**BACKGROUND:**

- A Welsh Government has been taking action to help bus operators in Wales, including the Operator, get through the inevitable uncertainty of the COVID-19 affected operating conditions, and that such action has enabled the Operator to continue provision of services which could not have been provided by the Operator without this financial support since March 2020. The Operator further acknowledges that the provision of this support has enabled the Operator to retain customers and a network of services which may otherwise have been lost or reduced significantly, and that this will support the Operator's business in recovering following relaxation of rules on social distancing and other factors which affect bus travel at the date of this Agreement.
- B Funding has been provided by the Welsh Government to bus operators in Wales pursuant to the Bus Hardship Funding letter dated 2 April 2020, the Bus Emergency Scheme 1 letter ("**BES 1**") and Bus Emergency Scheme 1.5 letter ("**BES 1.5**") which provided money to bus operators (including the Operator) through the Lead Authority on behalf of its Constituent Local Authorities. Those letters set out conditions to the Operator receiving such funding (together the "**Previous BES Funding Arrangements**").
- C In continuing to provide Bus Emergency Scheme funding, Welsh Government wish to move to a lasting partnership between bus operators and the public sector. Working together will enable a fundamental reshaping of Wales' local bus services, through a new approach to managing services, sharing data and information and establishing standards for routes, services, fares and tickets to meet the needs of passengers in a world affected by COVID-19, climate change, new transport choices and changes to working patterns.
- D It is intended that funding provided under this new BES 2 agreement ("**Agreement**") will ensure that support provided to bus operators is more directly aligned with the provision of bus services that meet with the aim of supporting the management and interaction across transport modes including smart ticketing, unified routing, integrated timetabling and will do this both by Welsh Government funding pursuant to section 7 Transport (Wales) Act 2006 to support the provision of public service obligations by operators reflecting the services agreed by the public sector to continue to be provided by the operators (including both supported and formerly commercial services) and the parties also agreeing a framework for long term partnership which will continue to cover both supported and commercial bus services into the future.
- E Welsh Government and Transport for Wales have agreed to: (i) consult with bus operators before making policy changes which affect or are impacted by local bus services and give full

consideration to the views expressed, consistent with their duties under the Well-being of Future Generations (Wales) Act 2015; (ii) ensure funding arrangements are clear, communicated and executed in a timely fashion; (iii) recognise and take account, wherever possible in designing policy for bus regulation of the real costs of operating services, bus provision and employee matters; and (iv) ensure requests for information to bus operators are targeted, minimise unnecessary burdens on operators and involve no more work than is required to achieve the relevant purposes.

- F This Agreement is intended to provide a step in ensuring that services and funding are aligned, whilst providing a framework for development of future partnership working between the public sector and bus operators, which can be built upon over the coming years, including to secure co-production in the design and delivery of bus transport services. In particular: (i) Welsh Government and TfW shall engage fully and openly with bus operators in the development of the National Transport Delivery Plan, including policies for the delivery of zero carbon bus fleets and for the development of interventions to improve bus journey times through tackling congestion; and (ii) the Constituent Local Authorities shall take action to enhance highways infrastructure, bus facilities and service information, subject to the availability of funding.
- G The Parties acknowledge that the contribution of the Welsh Government, TfW and local government to delivering quicker, more reliable and predictable services through traffic and congestion reduction and the introduction and improvement of bus priority is crucial to the successful delivery of bus services.
- H As a result this Agreement includes specific requirements in respect of the continued funding and provision of services including specifying the terms of an umbrella partnership arrangement between the Parties, other bus operators and the Lead Authority (on behalf of Constituent Local Authorities in the Region and other Local Authorities affected by the partnership) to support Welsh Government's wider objectives.
- I The Parties acknowledge that this Agreement includes a reconciliation process which shall take into account the costs and revenues from all Local Services provided by the Operator, including Supported Services, Formerly Commercial Services and Commercial Services. For the avoidance of doubt, the assessment of whether the Operator has been over or under compensated and the calculation of any margin due shall be based on the net position on costs and revenues across all the Operator's Local Services.
- J It is acknowledged that this Agreement is not intended to amend the basis of payments of BSSG and Concessionary Travel Scheme which shall continue to be paid in accordance with their terms subject to any future reform of such payments with Welsh Government may undertake.

## **IT IS AGREED:**

### **1. DEFINITIONS AND INTERPRETATION**

In this Agreement:

- 1.1 Unless the context otherwise requires, the following expressions shall have the meanings set out below:

<b>"ADR Notice"</b>	has the meaning given to it in clause 25.4;
<b>"Agreement"</b>	has the meaning given to it in Recital D;



<b>"Alternate Lead Authority"</b>	means each of [Flintshire County Council], [Monmouthshire County Council], [Swansea Council], [Ceredigion County Council], and [Powys County Council] which may be appointed to assist with disputes in accordance with clause 6.7; <b>[Note: delete Lead Authority from this list.]</b>
<b>"BES 1"</b>	has the meaning given to it in Recital B;
<b>"BES 1.5"</b>	has the meaning given to it in Recital B;
<b>"BES 2 Funding"</b>	means funding provided by the Welsh Government to the operators in Wales pursuant to the terms of this Agreement;
<b>"BES Funding Period"</b>	means the period of the BES Previous Funding and the BES 2 Funding;
<b>"BES Previous Funding"</b>	means funding provided by the Welsh Government to operators in Wales pursuant to the Previous BES Funding Arrangements;
<b>"BSSG"</b>	means Bus Services Support Grant awarded to a Lead Authority by Welsh Government to support and maintain the core strategic bus network, improve connectivity and quality, provide certain bus and other local transport services, and develop close and effective partnership working;
<b>"Change in Covid-19 Impact Event"</b>	means any new event or circumstances (or change to event or circumstances) which occurs following the Effective Date which arise as a direct result of the COVID-19 Virus and which adversely impacts the Operator's ability to perform its obligations under this Agreement including but not limited to the introduction of lockdown measures, travel restrictions or amended social distancing measures in the United Kingdom;
<b>"CMA"</b>	means the Competition and Markets Authority of Victoria House, Southampton Row, London WC1B 4AD;
<b>"Commercially Sensitive"</b>	means in relation to a Disclosing Party that the disclosure of such information is either a trade secret or if disclosed would prejudice the commercial interests of that Party, and shall include any Operator Information identified as Commercially Sensitive in Part 4 of Schedule 4;
<b>"Commercial Service"</b>	means a Local Service which a bus operator provides on a commercial basis and not pursuant to any Existing Supported Services Contract or New Supported Services Contract;
<b>"Confidential Information"</b>	means, in relation to a Disclosing Party: <ul style="list-style-type: none"> <li>(a) information of whatever nature concerning the business, assets, liabilities, dealings, transactions, policies or affairs of the Disclosing Party including all trade secrets, financial, marketing and technical information, ideas, concepts, technology, processes,</li> </ul>

knowledge and know-how, together with all details of a Disclosing Party's, customers, suppliers, prices, discounts, margins, information relating to research and development, current trading performance and future policy or business strategy and all other information of a like nature; and

- (b) any information which is expressly indicated to be confidential or commercially sensitive or which, due to the nature and circumstances of its disclosure or its content might reasonably be considered to be confidential (whether or not marked as such),

in each case in whatever form or medium (including written, electronic, visual and oral) such information is recorded or kept and whether or not created for the purpose of entering into this Agreement or otherwise, and shall include, for the avoidance of doubt, any Operator Data identified as Confidential Information in Part 4 of Schedule 4;

**"Constituent Local Authorities"**

means a group of local authorities in Wales who are working together and are represented by the Lead Authority (and **"Constituent Local Authority"** shall be construed accordingly);

**"COVID-19"**

means the virus identified and named "COVID-19 virus" by the World Health Organisation which was characterised as a pandemic by the World Health Organisation on 11 March 2020;

**"Data Protection Laws"**

means the EU General Data Protection Regulation 2016/679 of the European Parliament and of the Council ("**GDPR**") and the Data Protection Act 2018, together with the Privacy and Electronic Communication Regulations 2003 and all codes of practice issued by the Information Commissioner;

**"Defaulting Party"**

means a Party who commits a material breach of its obligations under this Agreement;

**"de minimis contracts"**

means Local Services contracts entered into pursuant to section 63 of the Transport Act 1985 which have been procured on a direct award basis to secure the provision of such public transport services as are considered appropriate to meet any public transport requirements which would not otherwise be met, pursuant to the exceptions allowed under section 91 Transport Act 1985 by the Service Subsidy Agreements (Tendering) Regulations 1985 as amended;

**"Disclosing Party"**

means a Party that discloses Confidential Information to one or more Receiving Parties under this Agreement;

<b>"Dispute"</b>	means a dispute or difference arising out of or in connection with this Agreement or any such matter which a Party deems (acting reasonably) to constitute a dispute;
<b>"Economic Contract"</b>	has the meaning given to it in the Welsh Government "Prosperity for All - Economic Action Plan";
<b>"Effective Date"</b>	means the date of this Agreement;
<b>"EIR"</b>	means the Environmental Information Regulations 2004;
<b>"Existing Supported Services"</b>	means any Local Services operated pursuant to the terms of an Existing Supported Services Contract;
<b>"Existing Supported Services Contracts"</b>	means contracts for the provision of Local Services in Wales by the Operator that were entered into before the Effective Date pursuant to: <ul style="list-style-type: none"> <li>a) terms let by or on behalf of the Welsh Government pursuant to section 7 of the Transport (Wales) Act 2000;</li> <li>b) contract terms let by one or more local transport authority pursuant to section 63 of the Transport Act 1985 (including, for the avoidance of doubt, any de minimis contracts); or</li> <li>c) any other contract let by one or more local transport authorities in accordance with sections 89 – 92 of the Transport Act 1985;</li> </ul>
<b>"FOIA"</b>	means the Freedom of Information Act 2000;
<b>"Force Majeure Event"</b>	means any event or occurrence (including fire, flood, violent storm, pestilence, explosion, malicious damage, act of terrorism, epidemic, pandemic, any industrial action by the workforce of an affected Party or by the workforce of a critical or key supplier, armed conflict, acts of terrorism, nuclear, biological or chemical warfare, or any other disaster, natural or man-made) which: <ul style="list-style-type: none"> <li>a) without prejudice to the operation of clause 11.6, the affected Party could not reasonably have provided against before entering into this Agreement;</li> <li>b) materially adversely affects the ability of a Party to perform its obligations (in whole or in part) under this Agreement;</li> <li>c) which is outside the reasonable control of an affected Party;</li> <li>d) having arisen, could not reasonably be avoided or overcome by the affected Party;</li> </ul>

- e) occurs in the United Kingdom; and
- f) is not attributable to any act or failure to take reasonable preventative action by an affected Party;

<b>"Former Commercial Services"</b>	has the meaning given to it in clause 15.1;
<b>"Funding Review(s)"</b>	means the review carried out in accordance with Schedule 5;
<b>"Good and Efficient Operator"</b>	has the meaning given to it in Section 1 to Schedule 3;
<b>"Gross Cost Contract"</b>	means a contract whereby the procuring authority retains the right to receipt of passenger revenue and therefore carries the financial risk in respect of the level of passenger revenue received in respect of services provided under such contract;
<b>"Historic"</b>	means up to 1 March 2019;
<b>"Insolvent Party"</b>	has the meaning given to it in clause 11.3;
<b>"Intellectual Property Rights"</b>	means patents, rights to inventions, copyright and related rights, trademarks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;
<b>"Lead Authority"</b>	means a local authority in Wales acting as the Lead Regional Transport Authority for one or more of its Constituent Local Authorities;
<b>"Lead Authority Dispute"</b>	means a Dispute which involves the Lead Authority and may therefore be resolved in accordance with clause 25.3;
<b>"Legislation"</b>	means any Act of Parliament or subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, any Welsh law within the meaning given to it in section 1(3) of the Legislation (Wales) Act 2019, any exercise of the Royal Prerogative, and any enforceable EU right within the meaning of Section 2 of the European Communities Act 1972 (as amended), in each case in the United Kingdom;

<b>"Local Service"</b>	has the meaning given to it in the section 2 of the Transport Act 1985 and for the avoidance of doubt, this shall not include: services which are not registrable pursuant to section 6 of the Transport Act 1985, including any services which are provided where a railway service is temporarily interrupted under section 40 Railways Act 2005;
<b>"Net Cost Contract"</b>	means a contract whereby the operator retains all passenger revenue and takes the risk in respect of the level of passenger revenue received in respect of services provided under such contract;
<b>"New Supported Services"</b>	means any Local Service operated pursuant to the terms of a New Supported Services Contract;
<b>"New Supported Services Contract"</b>	means contracts for the provision of Local Services in Wales by the Operator that were entered into after the Effective Date pursuant to: <ul style="list-style-type: none"> <li>a) terms let by or on behalf of the Welsh Government pursuant to section 7 of the Transport (Wales) Act 2000;</li> <li>b) contract terms let by one or more local transport authority pursuant to section 63 of the Transport Act 1985 (including, for the avoidance of doubt, any de minimis contracts); or</li> <li>c) any other contract let by one or more local transport authorities in accordance with sections 89 – 92 of the Transport Act 1985;</li> </ul>
<b>"New Supported Services Contract Tendering Assumptions"</b>	has the meaning given to it in clause 17.3;
<b>"Operator Data"</b>	means Operator data required to be provided under this Agreement which are confidential or commercially sensitive to the Operator as identified in Part 4 of Schedule 4;
<b>"Operator Companies"</b>	<b>Group</b> means the Operator and any subsidiary, holding company or subsidiary of any holding company of the Operator or any other company or structure established by the owners of the Operator and <b>"Operator Group Company"</b> shall be construed accordingly;
<b>"Part 1 Competition Test"</b>	means the test for making and varying quality partnership schemes, making and varying ticketing schemes, and inviting and accepting tenders under section 89 or 91 of the Transport Act 1985 (subsidised services) as set out in Schedule 10, Part 1 to the Transport Act 2000 as modified;

<b>"Part 2 Competition Test"</b>	means the test for certain agreements, decisions and practices as set out in Schedule 10, Part 2 to the Transport Act 2000 as modified;
<b>"Permitted Use"</b>	means the use of data for any purpose specified in Part 3 of Schedule 4;
<b>"Personal Data Disclosing Party"</b>	has the meaning given to it in clause 22.3;
<b>"Personal Data Receiving Party"</b>	has the meaning given to it in clause 22.3;
<b>"Previous BES Funding Arrangements"</b>	has the meaning given to is in Recital B;
<b>"Priorities"</b>	has the meaning given to it in clause 6.2;
<b>"Procurement Programme"</b>	has the meaning given to it in clause 17.2;
<b>"Public Sector Parties"</b>	means Welsh Government, TFW and each Lead Authority acting for its Constituent Local Authorities and <b>"Public Sector Party"</b> shall be construed accordingly;
<b>"Quality Partnership Schemes" or "QPS"</b>	means a quality partnership scheme as specified in section 114(1) Transport Act 2000;
<b>"Receiving Party"</b>	means a Party which receives Confidential Information from a Disclosing Party;
<b>"Reconciliation Payment"</b>	has the meaning given to it in clause 9.5;
<b>"Reference Network"</b>	means: <ul style="list-style-type: none"> <li>a) the initial reference network in accordance with clause 8.1; and</li> <li>b) the developed reference network, developed in accordance with the provisions of clauses 8.2 to 8.6 as it may be varied from time to time;</li> </ul>
<b>"Region"</b>	means the geographical area for which the Lead Authority and its Constituent Local Authorities are responsible;
<b>"Register of Variations"</b>	means a register for each Region, specific to the Operator, detailing each service contract, the agreed variation to the specific service, which has been reviewed and signed by the relevant Constituent Local Authority, the form appended at Schedule 7;
<b>"Regulation 1370/2007"</b>	means Regulation (EC) No 1370/2007 of the European Parliament and of the Council of 23 October 2007 on public passenger transport services by rail and by road as amended,

including, but not limited to, by the Regulation (EC) No 1370/2007 (Public Service Obligations in Transport) (Amendment) (EU Exit) Regulations 2020;

<b>"Request for Information"</b>	shall have the meaning set out in the FOIA or any apparent request for information under the FOIA;
<b>"Service Failure Points" or "SFPs"</b>	has the meaning given to it in Part 4 of Schedule 3;
<b>"Services"</b>	has the meaning given to it in clause 2.1;
<b>"Service Payment"</b>	has the meaning given to it in clause 9.1;
<b>"Service Specification"</b>	means the specification to which the Operator agrees to provide Local Services as determined in accordance with clause 6, including but not limited to, compliance with the requirements of Schedule 1;
<b>"Service Standards"</b>	means the service standards which will apply to different classifications of routes across Wales, developed in accordance with clause 8.6;
<b>"State Aid and Procurement Constraints"</b>	has the meaning given to it in clause 19.2;
<b>"Subsidised Network"</b>	has the meaning given to it in clause 8.3;
<b>"Term"</b>	has the meaning given to it in clause 3.1;
<b>"Umbrella Partnership Agreement"</b>	means the framework voluntary partnership agreement agreed in accordance with clause 5;
<b>"VPA"</b>	means a voluntary partnership agreement as described in section 46 of the Local Transport Act 2008, amending section 153(2) of the Transport Act 2000;
<b>"Wales Transport Strategy"</b>	means the draft strategy for the future of transport in Wales, setting out Welsh Government's ambitions for the next twenty (20) years and their priorities for the next five (5) years in the form of the consultation document published here: <a href="https://gov.wales/llwybr-newydd">https://gov.wales/llwybr-newydd</a> and developed during the Term;
<b>"Welsh Bus Open Data Agreement"</b>	means the agreement to be entered into between (1) TfW and (2) the Operator in relation to the Operator providing certain data to TfW which will enable TfW to build a consistent data set for all services in Wales to improve services for passengers; and
<b>"Working Days"</b>	means any day of the week other than a Saturday, Sunday or Bank Holiday.

- 1.2 the Schedule(s) form part of this Agreement and will have the same force and effect as if set out in the body of this Agreement and any reference to this Agreement shall include the Schedule(s);
- 1.3 references to clauses or paragraphs appearing in the main body of this Agreement are, except where expressly stated to the contrary, references to clauses and paragraphs of this Agreement;
- 1.4 references to any part or paragraph appearing within a Schedule are, except where expressly stated to the contrary, references to such part or paragraph of that Schedule;
- 1.5 references to this Agreement are references to this Agreement as varied, assigned and/or novated in accordance with the provisions of this Agreement from time to time;
- 1.6 references to any other agreement or document are to such agreement or document as varied, assigned or novated from time to time; and
- 1.7 any reference to any Legislation will include any subordinate legislation made under it and will be construed as a reference to such Legislation as modified, amended, extended, consolidated, re-enacted and/or replaced and in force from time to time.

## **2. SCOPE OF AGREEMENT**

- 2.1 This Agreement shall apply in respect of all Local Services provided by the Operator in the Region, including:
  - 2.1.1 Existing Supported Services; and
  - 2.1.2 Former Commercial Services;
  - 2.1.3 Commercial Services; and
  - 2.1.4 New Supported Services,
 (together the "**Services**").
- 2.2 Where and to the extent any Existing Supported Services are provided by the Operator pursuant to an Existing Supported Services Contract which is a Gross Cost Contract, clause 12 shall apply.
- 2.3 Where and to the extent any Existing Supported Services are provided by the Operator pursuant to an Existing Supported Services Contract which is a Net Cost Contract, clause 13 shall apply.
- 2.4 Where and to the extent any Local Service provided by the Operator is a Former Commercial Service the provisions of clause 15 shall apply in respect of Former Commercial Services.
- 2.5 Where and to the extent any Local Service provided by the Operator is a Commercial Service, clause 16 shall apply to the Operator in respect of the provision of those services.
- 2.6 Where and to the extent any Local Service provided by the Operator is provided pursuant to a New Supported Services Contract let by a Lead Authority or one of its Constituent Local Authorities after the date of this Agreement the provisions of clause 17 shall apply.
- 2.7 Where any provision of this Agreement is specified as being carried out by one Public Sector Party pursuant to this Agreement, the Public Sector Parties may agree that a representative of



another Public Sector shall be able to exercise such rights or may be required to carry out such function or obligation, provided that prior to such exercise, the Public Sector Parties shall jointly notify the Operator of such change of responsibility, and the party originally subject to such obligation shall notify the Operator of the basis upon which the new Public Sector Party is entitled to exercise the relevant powers. To the extent that this clause relates to the discharge of a statutory duty, the performance of such duty shall not be carried out by another Public Sector Party pursuant to this clause 2.7, save to the extent expressly agreed by such Public Sector Parties or in the event where TfW is performing such duties on behalf of the Welsh Government.

- 2.8 It is acknowledged that the Operator and Operator Group Companies may choose to change the way that they provide Local Services. Notwithstanding this, it is acknowledged by the Operator that this Agreement is entered into in respect of all Local Services provided by the Operator in the Region, and the Operator shall procure that, where there is any change in the operation of such services, that any alternative Operator Group Company providing such Local Services shall enter into an agreement on equivalent terms with the Public Sector Parties, and where and to the extent that they do not, or where any other action is taken by the Operator or any Operator Group Company to seek to provide services which are the same or similar to Local Services provided by the Operator in the Region outside the terms of this Agreement, the Operator shall indemnify the Public Sector Parties against all costs, losses, expenses and claims arising from the Local Services or services similar to the Local Services (including Commercial Services) being provided by the Operator or an Operator Group Company in a manner not subject to the provisions of this Agreement or an agreement on equivalent terms.

### **3. TERM**

- 3.1 This Agreement shall commence on the Effective Date and shall continue until 31 July 2022 (being the date falling two (2) years after the start date of BES 1.5), unless terminated earlier in accordance with the terms of this Agreement ("**Term**").

### **4. WELSH GOVERNMENT REQUIREMENTS**

- 4.1 As a condition of receipt of BES 2 Funding, the Operator shall comply with Welsh Government's minimum funding requirements as specified in Schedule 1.
- 4.2 Where the Operator is in material breach of any condition contained in Schedule 1 and the Operator fails to remedy such material breach (such remedy to include taking all reasonable steps to ensure that such breach is not repeated) within ten (10) Working Days of notification (or such other period of time as is reasonable given the nature of the breach and the steps required to remedy such breach), then the Operator shall pay compensation to the Lead Authority, pursuant to the process and calculated in accordance with Schedule 3.
- 4.3 The Operator shall maintain adequate insurances to cover against the risks which may be expected to arise in connection with the delivery of their obligations under this Agreement, including, but not limited to, insuring all property required to perform such obligations. The Operator shall provide the Lead Authority with proof of such insurances promptly upon request.

### **5. PARTNERSHIP**

- 5.1 The Operator shall use reasonable endeavours to agree the terms of an Umbrella Partnership Agreement, within three (3) months from the Effective Date and in the form of the draft agreement included at Section 1 of Schedule 1 with:

- 5.1.1 the Lead Authority (on behalf of Constituent Local Authorities in the Region and other Local Authorities affected by the partnership);
  - 5.1.2 TfW;
  - 5.1.3 Welsh Government; and
  - 5.1.4 other bus operators in the Region.
- 5.2 The Lead Authority, Welsh Government and TfW shall use reasonable endeavours to agree the terms of the Umbrella Partnership Agreement with the Operator and other bus operators in the Region.
- 5.3 The Parties acknowledge that that Umbrella Partnership Agreement shall provide a framework for development of detailed partnerships in the Region including, where appropriate, VPAs and QPS, and shall include as a minimum terms which:
- 5.3.1 establish a partnership board which shall govern the partnership, set strategy and objectives of the partnership, monitor and report on the performance of the partnership and resolve disputes;
  - 5.3.2 define the parties' obligations in respect of the continued delivery of the Wales Transport Strategy which may be in the form of transport plans which set out implementation dates, or processes to agree such plans, including, but not limited to those matters specified in Schedule 2;
  - 5.3.3 define obligations with respect to the Reference Network in accordance with clause 8;
  - 5.3.4 establish key performance indicators;
  - 5.3.5 invest in provision of Local Services;
  - 5.3.6 confirm review processes for the partnership using annual reviews and/or change procedures;
  - 5.3.7 rectify a breach of the terms of the Umbrella Partnership Agreement; and
  - 5.3.8 terminate the Umbrella Partnership Agreement.

## **6. SERVICE SPECIFICATION**

- 6.1 From the Effective Date, the Operator shall operate its Local Services as it did under the terms of the BES 1.5, unless agreed otherwise with the Lead Authority prior to the Effective Date.
- 6.2 The Operator shall consult and agree with the Lead Authority and each Constituent Local Authority in whose area a Local Service operates by the Effective Date or by no later than thirty (30) days of the Effective Date, the specification of the services (including routes, frequencies and hours of operation) that the Operator shall provide. In determining the specification of the services the Parties shall have regard to:
- 6.2.1 supporting learners' journeys to school or college on registered local bus services;
  - 6.2.2 increasing frequencies where demand exceeds capacity;

- 6.2.3 improving accessibility to jobs and services across our regions and communities;
  - 6.2.4 supporting economic recovery; and
  - 6.2.5 ensuring social inclusion,
- (together the "**Priorities**"),

provided that the services shall be affordable within the BES 2 Funding allocated to the Operator in accordance with the terms of this Agreement.

- 6.3 The agreed Service Specification will be recorded in the form appended at Schedule 6 and shall be updated with any changes, agreed from time to time and subject to being deliverable within the BES 2 Funding provided to the Operator pursuant to the terms of this Agreement.
- 6.4 The Operator shall act in good faith to discuss and agree with the Lead Authority and the relevant Constituent Local Authorities any changes in the Local Services required at regular intervals as agreed by the Parties, to ensure that the Local Services continue to meet local needs.
- 6.5 The Operator shall take all reasonable steps to respond and comply promptly with reasonable requests from the Lead Authority to amend the Local Services operated including:
  - 6.5.1 the routes used by those services;
  - 6.5.2 the hours of operation;
  - 6.5.3 the vehicles used or levels of provision; and
  - 6.5.4 the timetables of such services.
- 6.6 If, in exceptional circumstances, the Operator cannot reach agreement with the Lead Authority and any Constituent Local Authority on the Local Services to be operated in accordance with clause 6.4, then the Operator shall seek to agree the reasonable level of services to be provided with the Lead Authority who shall act reasonably to determine an appropriate service requirement in the context of the BES 2 Funding available and the requirements of the Lead Authority and the relevant Constituent Local Authority, and where such agreement is reached, these service requirements shall apply.
- 6.7 Where following discussion with the Lead Authority in accordance with clause 6.6, agreement can still not be reached with the Operator then either party may refer the matter as a Dispute, save that where the Lead Authority has a reasonable belief that the Operator has not engaged in good faith with any Constituent Local Authority covered by their operations and this forms part of the Dispute then such Dispute shall be referred as a Lead Authority Dispute in accordance with clause 25.3.

## **7. DATA PROVISION**

- 7.1 The Operator shall provide:
  - 7.1.1 the data specific in Section 1 of Part 4 of Schedule 3 in accordance with Part 3 of Schedule 3;
  - 7.1.2 the data specified in Part 1 of Schedule 4, in accordance with Part 3 of Schedule 3; and

- 7.1.3 the data specified in Part 2 of Schedule 4, in accordance with Part 3 of Schedule 3.
- 7.2 The data provided pursuant to this Agreement (including, but not limited to that provided pursuant to clause 7.1) may be used by the Welsh Government, TfW, the Lead Authority and Constituent Local Authorities in the Region solely for the Permitted Uses specified in Part 3 (Permitted Uses) of Schedule 4. Where such data is identified as Confidential or Commercially Sensitive as specified in Part 4 of Schedule 4, the relevant Public Sector Parties shall manage such data as Confidential Information in accordance with clause 21 and clause 23 and Commercially Sensitive in accordance with clause 23.
- 7.3 Where any Public Sector Party wishes to use any data provided by the Operator pursuant to this Agreement for any use which is not a Permitted Use they shall only do so having obtained the consent of the Operator, such consent not to be unreasonably withheld.
- 7.4 Where any data is identified as being Commercially Sensitive pursuant to Part 4 of Schedule 4 then each Public Sector Party shall ensure that, even where such data is being utilised in accordance with the Permitted Use that such data is only disclosed in accordance with clauses 21 to 23, and that where the output from the use of such data is disclosed in any manner which could be accessed by any other operator or prospective operator of Local Services, that such data or outputs are aggregated or presented in such a way that no Commercially Sensitive information is published (for example, where information in respect of crowding on buses is presented through using a traffic light system).
- 7.5 The Parties acknowledge and agree that the data provided pursuant to this clause 7 shall not be used by any Party for:
- 7.5.1 the purposes of monitoring and/or reporting to the Traffic Commissioner or the DVSA in respect of the Operator's service performance in respect of reliability and timekeeping for any local services operated by that Operator; or
- 7.5.2 any purpose relating to the potential introduction of a Quality Contract Scheme pursuant to the Transport Act 2000 by any Local Authority or the introduction by any Local Authority of any similar form of franchising arrangement under subsequent legislation,
- without the Operator's prior written consent.
- 7.6 Where any Public Sector Party analyses Operator Data for a Permitted Use with the intention to use that analysis for policy or decision making processes which may materially affect the Operator, such Public Sector Party shall use reasonable endeavours to engage with the Operator prior to use, to allow the Operator to inform such analysis. The Operator acknowledges that compliance with this obligation may not always be practicable, and in particular that a Public Sector Party shall not be obliged to comply with this obligation to the extent that it would breach clause 7.4.
- 7.7 The Operator shall keep and maintain full and accurate records and accounts on everything to do with this Agreement throughout and for seven (7) years after the date of expiry or termination of this Agreement.
- 7.8 Where a Public Sector Party is required to audit any information provided by the Operator pursuant to this Agreement, including where Welsh Government has reasonable grounds to believe that any information provided is materially incorrect, then they may appoint an auditor. The Operator shall allow such appointed auditor access to their premises, upon reasonable notice, to verify all accounts and records of everything to do with this Agreement (which is

relevant to the issue identified) and provide copies for the audit upon request, subject to clause 21.

- 7.9 The Operator shall provide information to the auditor and reasonable co-operation at their request.
- 7.10 Where any auditor identifies that any information provided by the Operator to any Public Sector Party is materially false or incomplete the relevant Public Sector Party shall be entitled to assess the impact of such false or incomplete information and where this has led to an under-payment to any Public Sector Party or over-payment from any Public Sector Party of the Service Payment, such Party shall be entitled to recover the difference between the amount originally calculated and the amount calculated following correction of the information found to be false or incomplete, and such amount shall be immediately payable by the Operator to such Public Sector Party.
- 7.11 The Operator agrees to use all reasonable endeavours to enter into the Welsh Bus Open Data Agreement within three (3) months of signing this Agreement, and shall, in any case, enter into such agreement within six (6) months of signing this Agreement. In the event of a conflict between the terms of the Welsh Bus Open Data Agreement and this Agreement, the Parties agree that this Agreement shall take priority during the Term of this Agreement and upon termination or expiry of this Agreement, the Welsh Bus Open Data Agreement shall take priority.
- 7.12 The Parties acknowledge that Tfw use third party suppliers to extract/receive and process data and that clauses 21 and 22 shall apply to the use and processing of such data by such third parties.

## **8. REFERENCE NETWORK**

- 8.1 The Parties agree that the initial Reference Network reflects the routes, frequencies and hours of operation of local bus services in Wales prior to COVID-19, specifically as at 29 February 2020 modified by:
- 8.1.1 any key seasonal variations as demonstrated in the preceding year e.g. a summer tourist timetable; and
- 8.1.2 any changes to services implemented by agreement with a Local Authority or the Lead Authority prior to the Effective Date.
- 8.2 The Parties agree that for the purposes of continued improvement in the provision of local bus services in Wales, it will be necessary to develop a revised Reference Network which sets out the target requirements for routes and services to be provided across Wales. The Reference Network shall be developed in accordance with this Agreement, including the provision of services in accordance with clauses 12 to 17 below, as well as any changes to services agreed pursuant to Schedule 1. The Parties agree that the Reference Network shall be developed in respect of each Region in line with the local and regional rankings of the Priorities and in support of a coherent Wales wide Reference Network.
- 8.3 The Parties, together with other operators in the Region, shall work together to develop a revised Reference Network by 30 June 2021. This network will supersede the initial Reference Network and reflect Regional priorities. As part of developing the revised Reference Network, historical and current passenger demand data will be used to objectively identify the elements of the Reference Network which will require long term Government support. These elements of the Reference Network will be referred to as the "**Subsidised Network**".

- 8.4 The development of the Reference Network shall include:
- 8.4.1 use of data provided by all parties with an interest in the provision of bus services within the Region, including operators, Lead Authorities, Local Authorities, TfW and Welsh Government;
  - 8.4.2 consideration of regional strategic Priorities for the provision of Local Services;
  - 8.4.3 examination of existing routes;
  - 8.4.4 exploration of options for new routes;
  - 8.4.5 the viability and affordability of the proposed routes; and
  - 8.4.6 consideration of investment or other measures that may be required to support any revised Reference Network.
- 8.5 The Lead Authority shall manage compliance with the Reference Network in accordance with the requirements set out in Schedule 1.
- 8.6 As part of the development of the Reference Network, the Operator shall use all reasonable endeavours to agree a set of Service Standards pursuant to Schedule 1 with the Lead Authority and TfW which will apply to different classifications of routes across Wales. The Operator, the Lead Authority and TfW shall use all reasonable endeavours to complete this classification by 30 June 2021.

## **9. PAYMENTS AND RECONCILIATION PROCESSES**

- 9.1 The Lead Authority shall pay the Operator a service payment calculated in accordance with Part 2 of Schedule 3 ("**Service Payment**"), in relation to the Services provided pursuant to and in accordance with this Agreement. If the Operator disputes the amount of the Service Payment then such dispute shall be resolved in accordance with clause 25.
- 9.2 For the avoidance of doubt, the Operator shall not be entitled to recover more than once in respect of the same amount, including that the Operator shall not be entitled to recover any amount payable pursuant to the Previous BES Funding Arrangements pursuant to this Agreement.
- 9.3 In the event that the Operator is successful in obtaining any other governmental support or support from any Lead Authority or one of its Constituent Local Authorities or other such body that is offered in relation to the impact of and/or recovery from the impacts of COVID-19, this shall be taken into account in relation to the relevant Service Payment such that the Operator does not benefit from double recovery or double counting.
- 9.4 The Operator shall comply with the reconciliation process detailed in Part 3 of Schedule 3. The Parties acknowledge that Schedule 3 assesses the basis on which the Operator is paid, and includes provisions to ensure that such payments, following reconciliation, do not lead to over-compensation or illegal state aid. Notwithstanding any other remedies that the Lead Authority, TfW or Welsh Government may have pursuant to this Agreement or otherwise for provision by the Operator of false or misleading information, it shall be a material breach of this Agreement for the Operator to fail to accurately provide the information specified in Schedule 3. For the avoidance of doubt, it will be necessary to provide information in respect of all Local Services provided by the Operator, including any Commercial Services, to ensure transparency of costs and revenues and to ensure that the calculation of the Assumed Margin pursuant to Schedule 3

shall take into account the costs and revenues from all Local Services provided by an Operator (including Former Commercial Services and Commercial Services).

- 9.5 Where following any reconciliation process carried out pursuant to Part 3 of Schedule 3, the Lead Authority identifies that an overpayment or an underpayment has been made, the Lead Authority shall be entitled to require either clawback of such amount or pay such amount ("**Reconciliation Payment**"), calculated in accordance with Part 3 of Schedule 3. The Lead Authority shall provide the Operator with detailed calculations confirming the Reconciliation Payment to be returned to the Lead Authority or paid to the Operator.
- 9.6 The Parties acknowledge and agree that TfW, working with the Lead Authority, may carry out Funding Reviews on behalf of Welsh Government in accordance with the provisions of Schedule 5 and the Parties shall agree, acting reasonably, such amendments to this Agreement, as may be reasonably required to reflect the outcomes of each Funding Review.

## **10. EXIT FROM BES 2**

- 10.1 The Parties agree and acknowledge that by no later than 1 August 2022, it is all Parties' intention that all of the Operator's Local Services which operate in Wales shall either be:

10.1.1 operated as a Commercial Service; or

10.1.2 operated pursuant to a New Supported Services Contract or the original terms and conditions of an Existing Supported Services Contract (including in each case any such contract which is let as a *de minimis* contract).

- 10.2 Where all Local Services operated by the Operator in Wales are operated in accordance with clause 10.1 then the Parties acknowledge that:

10.2.1 no further payments shall be made pursuant to this Agreement; and

10.2.2 provided that any Umbrella Partnership Agreement and any associated partnership arrangements shall not be terminated as a result of the termination of this Agreement,

any Party shall otherwise be entitled to terminate this Agreement by agreement with the other Parties (all acting reasonably).

## **11. TERMINATION**

- 11.1 This Agreement, or a Party's participation in this Agreement, may be terminated in accordance with the provisions of this clause 11.

### **Defaulting Party Material Breach**

- 11.2 In the event of a material or persistent breach of this Agreement by a Defaulting Party, the non-Defaulting Party may give four (4) weeks' written notice of their intention to terminate this Agreement, setting out in sufficient detail the acts or omission of the relevant Defaulting Party giving rise to such breach or breaches. If the Defaulting Party does not, to the reasonable satisfaction of the non-Defaulting Party, remedy the breach or breaches and the consequences of such breach within such notice period, the non-Defaulting Party may terminate this Agreement. Where, pursuant to Part 4 of Schedule 3 Service Failure Points have been allocated for the same trigger in three (3) consecutive months this shall be deemed to be a material breach which the Operator has been unable to remedy.

## **Insolvency**

- 11.3 Any non-Defaulting Party may by written notice terminate its participation in this Agreement where another Party ("**Insolvent Party**"):
- 11.3.1 passes a resolution for its winding up or summons a meeting to pass any such resolution (other than for the purpose of and followed by a solvent reconstruction or amalgamation);
  - 11.3.2 has a petition for a winding-up order presented against it (other than for the purpose of and followed by a solvent reconstruction or amalgamation);
  - 11.3.3 has an application made to court, or an order made, for the appointment of an administrator or any step is taken to appoint an administrator in respect of the Insolvent Party;
  - 11.3.4 has a receiver, administrative receiver, receiver and manager or similar officer appointed by any person of all or any part of the Insolvent Party's property, assets or undertaking;
  - 11.3.5 makes a proposal for a voluntary arrangement as defined in Section 1 of the Insolvency Act 1986;
  - 11.3.6 enters into any other arrangement with its creditors or any of them;
  - 11.3.7 takes or suffers any other action in consequence of debt including, without limitation, giving notice to its creditors or any of them that it has suspended or is about to suspend payment; or
  - 11.3.8 has a proposal or threat to do any of the above acts or things made; or an event analogous to the aforesaid occurs in whatever jurisdiction.

## **Continuing Force Majeure**

- 11.4 No Party shall be liable to any other Party for any delay in, or failure to perform its obligations under this Agreement arising (in whole or in part) from any Force Majeure Event, provided that the affected Party shall:
- 11.4.1 as soon as reasonably practicable, send to the other Parties a written notice setting out the circumstances of the event and its anticipated effect; and
  - 11.4.2 use all reasonable endeavours to minimise the effect of any such circumstances.
- 11.5 If the affected Party's ability to perform its obligations under this Agreement is materially adversely affected (in whole or in part) due to a Force Majeure Event continuing for a period of six (6) months or more, any Party may terminate the affected Party's participation in this Agreement with immediate effect by serving written notice to the other Parties, provided that no such notice shall be served until the Parties have met in good faith to discuss and seek to agree whether this Agreement should continue in modified form (agreement to such not to be unreasonably withheld).
- 11.6 Notwithstanding any other provision under this Agreement, the Parties agree that they were aware of COVID-19 and that the existence of COVID-19 in itself shall not constitute a Force Majeure event save that a Change in COVID-19 Impact Event may be deemed to be a Force



Majeure Event provided it satisfies the criteria set out in sub-paragraphs (b) to (f) (exclusive) of the definition of Force Majeure.

#### **Termination by agreement of the Parties**

- 11.7 This Agreement may be terminated in respect of all Parties or in respect of any one party at any time with immediate effect by written consent of all Parties that it be so terminated.
- 11.8 This Agreement shall be terminated in respect of any Party that disposes of its business in accordance with clause 28.2.
- 11.9 In the event that the Operator either: (i) changes the way that they provide Local Services and does not comply with clause 2.8; or (ii) disposes of its business and does not comply with clause 28.2, the Operator acknowledges and agrees that such breach shall be dealt with in accordance with clause 11.2 and the non-Defaulting Party is entitled to terminate this Agreement.

#### **Exit from BES 2**

- 11.10 This Agreement may be terminated pursuant to clause 10.2.

#### **Funding Reviews**

- 11.11 This Agreement may be terminated on notice provided by Welsh Government to the Operator, in accordance with paragraph 1.3.3 of Schedule 5 following a Funding Review.

#### **Operator withdrawal**

- 11.12 This Agreement may be terminated on no less than fifty six (56) days' notice (or such other period of notice as the Traffic Commissioner may require in respect of de-registration of Local Services at the date the notice is given) from the Operator to the other Parties, in the event that the Operator intends to withdraw from the Welsh bus market, such termination to occur on the date of withdrawal from the Welsh bus market.
- 11.13 In the event where the Operator intends to withdraw from the Welsh bus market and terminates this Agreement in accordance with clause 11.12, the Operator shall provide Welsh Government with a reasonable opportunity to purchase any assets of the business which it intends to dispose of, on fair terms.

#### **Effect of Termination**

- 11.14 The termination of this Agreement for any reason:
  - 11.14.1 shall be without prejudice to any rights or obligations which shall have accrued or become due prior to the date of termination, including, for the avoidance of doubt, any payments to be made to the operator pursuant to Part 3 of Schedule 3;
  - 11.14.2 shall not prejudice the rights or remedies which any Party may have in respect of any breach of the terms of this Agreement prior to the date of termination; and
  - 11.14.3 shall not impact upon any clawback of BES 2 Funding which is to be made (including any clawback of BES 2 Funding still to be calculated) in accordance with Schedule 3.

## **12. EXISTING SUPPORTED SERVICES: GROSS COST**

12.1 The Parties acknowledge that the Operator operates Existing Supported Services on the date of this Agreement which are contracted in whole, or in part, pursuant to Existing Supported Services Contracts.

12.2 Where an Existing Supported Services Contract is let as a Gross Cost Contract:

12.2.1 the Operator acknowledges that the relevant Constituent Local Authority (or Welsh Government where the Existing Supported Services Contract is let pursuant to section 7 Transport (Wales) Act 2006) remains at risk for passenger revenue, and that any payments made to the Operator in respect of such Local Services pursuant to this Agreement shall relate solely to additional costs incurred by the Operator in providing services in accordance with the terms of such Gross Cost Contract, as a result of the impact of COVID-19 (and related measures) on the operation of that Existing Supported Services;

12.2.2 the Operator (and the Lead Authority on behalf of the relevant Constituent Local Authority) agree that each Existing Supported Services Contract shall be varied to:

12.2.2.1 allow such additional payments to be made by the Lead Authority on behalf of the Constituent Local Authority to the Operator in accordance with the terms of this Agreement; and

12.2.2.2 revise the services provided in agreement with the Constituent Local Authority and the Lead Authority and align payment with the revised services.

It is acknowledged that the variation in such payments shall be limited to those which are required to deal with the impact of COVID-19, and that the modifications are not substantial within the meaning of Regulation 88 (1)(f) Utilities Contracts Regulations 2016 or Regulation 72(1)(f) Public Contract Regulations 2015, as the case may be;

12.2.3 the Operator agrees that more than one amendment may be made pursuant to clause 12.2.2, during the term of this Agreement, provided that those changes shall be made solely for the purposes of reflecting required changes to local bus services to reflect the impact of COVID-19, and that such changes shall not change the economic balance of the contract in favour of the bus operator nor alter the overall nature of the Existing Supported Services Contract;

12.2.4 the Operator and the Lead Authority acknowledge that the payments made pursuant to this Agreement in respect of such Gross Cost Contracts are made pursuant to a valid variation to the Existing Supported Services Contracts between the Constituent Local Authority and the Operator. The Parties agree to execute such other documents, including to update the Register of Variations at Schedule 7, as may be required to effect such variation, and the Lead Authority undertakes to obtain any variation documents executed by the Constituent Local Authority as may be required to effect such variation; and

12.2.5 on a continuing basis, the Lead Authority may carry out a further review of each Existing Supported Services Contract to assess whether any further variation is needed or determinate whether the service remains necessary to be supported in accordance with the review process under clause 6.4.

### **13. EXISTING SUPPORTED SERVICES: NET COST**

13.1 The Parties acknowledge that the Operator operates Existing Supported Services on the date of this Agreement which are contracted in whole, or in part, pursuant to Existing Supported Services Contracts.

13.2 Where such Existing Supported Services Contract is a Net Cost Contract:

13.2.1 the Parties acknowledge that the Operator is at risk for passenger revenue under the terms of the Net Cost Contract with the relevant Lead Authority or one of its Constituent Local Authorities (or Welsh Government where the Existing Supported Services Contract is let pursuant to section 7 Transport (Wales) Act 2006), and that any payments made to the Operator in respect of such Local Services pursuant to this Agreement shall relate solely to:

13.2.1.1 additional costs incurred by the Operator in providing services in accordance with the terms of such Net Cost Contract, as a result of the impact of COVID-19 (and related measures) on the operation of that Existing Supported Services; and

13.2.1.2 the impact on passenger revenue beyond that which was foreseeable by the Operator and/or the Lead Authority or one of its Constituent Local Authorities at the time that such Existing Supported Services Contract was let,

13.2.2 the Operator (and the Lead Authority on behalf of the relevant Constituent Local Authority) agree that each Existing Supported Services Contract shall be varied to:

13.2.2.1 allow such additional payments to be made by the Lead Authority on behalf of the Constituent Local Authority to the Operator in accordance with the terms of this Agreement; and

13.2.2.2 revise the services provided in agreement with the Constituent Local Authority and the Lead Authority.

It is acknowledged that the variation in such payments shall be limited to those which are required to deal with the impact of COVID-19, and that the modifications in respect of any changes to service provision are not substantial within the meaning of Regulation 88 (1)(f) Utilities Contracts Regulations 2016 or Regulation 72(1)(f) Public Contract Regulations 2015, as the case may be, and that the payments in respect of loss of passenger revenue are made due to the immediate and continuing risk of disruption of passenger services as a result of the loss of that passenger revenue,

13.2.3 the Operator agrees that more than one amendment may be made pursuant to clause 13.2.2.2, during the term of this Agreement, provided that those changes shall be made solely for the purposes of reflecting required changes to local bus services to reflect the impact of COVID-19, and that such changes shall not change the economic balance of the contract in favour of the operator nor alter the overall nature of the Existing Supported Services Contract;

13.2.4 the Operator agrees that, where payments made relate to the impact of COVID-19 on passenger numbers, the extent to which those payments relate to costs which would have been funded from passenger revenue, save for the effect of COVID-

19, that the Lead Authority shall be entitled to limit the payments made in respect of such costs for the period that the risk associated with passenger revenue loss is materially greater than that which was reasonably foreseeable at the date of the relevant agreement;

13.2.5 payments made by the Lead Authority to the Operator pursuant to this Agreement in respect of Existing Supported Services pursuant to a Net Cost Contract shall be only made for the period, and to the extent that, the provision of services under the relevant Net Cost Contract are affected by COVID-19;

13.2.6 the Operator and the Lead Authority acknowledge that the payments made pursuant to this Agreement in respect of such Net Cost Contracts are made pursuant to a valid variation to the Supported Services Existing Contract between the relevant Constituent Local Authority and the Operator. The Parties agree to execute such other documents, including to update the Register of Variations at Schedule 7, as may be required to effect such variation, and the Lead Authority undertakes to obtain any variation documents executed by the Constituent Local Authority as may be required to effect such variation; and

13.2.7 on a continuing basis, the Lead Authority may carry out a further review of each Existing Supported Services Contract to assess whether any further variation is needed or determinate whether the service remains necessary to be supported in accordance with the review process under clause 6.4.

#### **14. REVERTING TO ORIGINAL CONTRACT TERMS FOR EXISTING SUPPORTED SERVICES**

14.1 The Parties acknowledge that any Existing Supported Services Contract varied in accordance with clause 12 and 13, shall revert to the terms specified immediately prior to such variation (subject to any other variation to such contract agreed by the Parties to that contract) when all or some of the following criteria are achieved (in each case as agreed with the relevant Local Authority, acting reasonably):

14.1.1 the revenue in respect of that service returning to pre-COVID levels;

14.1.2 the service operating to a specification materially the same as that pre-COVID, subject to any other variation of such contract; and

14.1.3 the Operator choosing to return to the terms of the original Existing Supported Services Contract.

#### **15. SUPPORT FOR FORMER COMMERCIAL SERVICES**

15.1 The Parties acknowledge that the Operator has historically operated Commercial Services, but due to the effects of COVID-19, those Commercial Services were no longer commercially viable and support for the continuation of the services was required from Welsh Government. Such support was received through BES Funding provided pursuant to the Previous BES Funding Arrangements. The Parties further acknowledge that the Previous BES Funding Arrangements were implemented on the basis of payments being made under the following powers:

15.1.1 use of grant aid under section 154 Transport Act 2000; or

15.1.2 payments made pursuant to section 7 of the Transport (Wales) Act 2006,

**("Former Commercial Services").**

- 15.2 The Operator acknowledges that in the absence of Service Payments made pursuant to this Agreement the Operator would not be able to continue to operate the relevant Former Commercial Service or would not be able to operate the Former Commercial Services to the Service Standards.
- 15.3 The Lead Authority acknowledges that it would not have funded such Former Commercial Services to the Service Standards unless provided with financial support by Welsh Government.
- 15.4 The Lead Authority agrees to support the Former Commercial Services pursuant to the terms of this Agreement on the basis that the operation of the Former Commercial Service is required to meet public service obligations, with support being provided for provision of such public service obligations through the payment of Service Payments on behalf of Welsh Government in accordance with Schedule 3 (pursuant to section 7 Transport (Wales) Act 2006), provided that the Operator in operating the Former Commercial Services, shall at all times comply with the prevailing Service Specification.
- 15.5 The Parties acknowledge that the reconciliation process at Part 3 of Schedule 3 shall take into account the costs and revenues from all Local Services provided by the Operator, including Supported Services, Formerly Commercial Services and Commercial Services. For the avoidance of doubt, the assessment of whether the Operator has been over or under compensated and the calculation of any margin due shall be based on the net position on costs and revenues across all the Operator's Local Services.

**16. COMMERCIAL SERVICES**

- 16.1 Where the Operator registers a Commercial Service which does not comply with the applicable Service Standards, then save where the specification of such Commercial Service has been agreed in accordance with clause 16.2.2, the Operator acknowledges and agrees that Welsh Government or any Local Authority in the area in which such service is operated may determine that notwithstanding the operation of the Commercial Service, that the service in question is not being provided to the applicable Service Standard required, in accordance with section 7(4) Transport (Wales) Act 2006 or section 63(5) Transport Act 1985 and that Welsh Government or the relevant Local Authority may determine that a service that meets the applicable Service Standard may be let in accordance with clause 17 (subject to the application, where relevant, of the Part 1 Competition Test).

- 16.2 Where the Operator registers a Commercial Service which will operate:

16.2.1 in accordance with the applicable Service Standards; or

16.2.2 in accordance with a variation to the Service Standards as agreed by the Operator, Lead Authority and TfW on the grounds that, for example, the specified standard for the hours of operation or frequency of the service are not financially viable or required,

then the Parties acknowledge that such service shall be operated as a Commercial Service for the purposes of this Agreement, but shall for the avoidance of doubt, remain subject to the terms of this Agreement, the Umbrella Partnership Agreement and any future partnership agreement developed pursuant to the terms of the Umbrella Partnership Agreement.

- 16.3 The Parties acknowledge that the reconciliation process at Part 3 of Schedule 3 shall take into account the costs and revenues from all Local Services provided by the Operator, including

Supported Services, Formerly Commercial Services and Commercial Services. For the avoidance of doubt, the assessment of whether the Operator has been over or under compensated and the calculation of any margin due shall be based on the net position on costs and revenues across all the Operator's Local Services.

## **17. SERVICES TENDERED AFTER THE DATE OF THIS AGREEMENT**

17.1 The Parties agree that the Lead Authority or one of its Constituent Local Authorities or Welsh Government may let New Supported Services Contracts including where:

- 17.1.1 an Existing Supported Service Contract expires or terminates;
- 17.1.2 the Operator chooses to cease operation of a Former Commercial Service; or
- 17.1.3 a new route is identified as part of the Reference Network which is not operated as a Commercial Service or any Commercial Service does not comply with clause 16.2,

in each case where the relevant Local Authority or Welsh Government determine that the provision of such service is appropriate for meeting public transport requirements in the relevant area.

17.2 The Operator acknowledges that, no later than 1 August 2021, the Lead Authority (working with its Constituent Local Authorities) shall set out a programme to tender key services that are otherwise at risk of not meeting the requirements of clause 10.1 prior to 1 August 2022 when this contract shall terminate ("**Procurement Programme**"). The Procurement Programme shall be developed in consultation with the Operator and other operators and plans to tender New Supported Service Contracts within the Procurement Programme shall be prioritised to take account of:

- 17.2.1 the prevailing bus market conditions including any continued impact of COVID-19 on the performance of the bus market, such as passenger levels and revenues;
- 17.2.2 the estimated time frame for meeting the requirements of clause 10.1; and
- 17.2.3 the extent to which each service is required for the purposes of operating the Reference Network and delivering its intended benefits.

The Procurement Programme shall be reviewed by the Lead Authority and its Constituent Local Authorities every month and revised as necessary in consultation with the Operator, other operators and stakeholders to take account of changes which affect the priorities detailed in clauses 17.2.1 to 17.2.3.

17.3 Where a Lead Authority, one of its Constituent Local Authorities or Welsh Government tenders a New Supported Services Contract following the date of this Agreement, the tender for such New Supported Services Contract shall specify the assumptions that are to be made by all bidders regarding payments (if any), to be made pursuant to this Agreement to the operator of services under that New Supported Services Contract, and the relevant Public Sector Party shall ensure that the same assumptions are provided to all tenderers for such Contract ("**New Supported Services Contract Tendering Assumptions**"); or

17.4 the Parties acknowledge, that where any Public Sector Party, specifies New Supported Services Contract Tendering Assumptions as part of a tender process for a New Supported Services Contract and the Operator enters into such New Supported Services Contract, the Lead

Authority shall make payments under this Agreement in respect of such New Supported Services Contract in accordance with the New Supported Services Contract Tendering Assumptions.

## 18. SURVIVAL

18.1 This clause 18 and the following provisions (and any clauses/Schedules referred to in them/and or necessary in order to give effect to them) shall survive termination of this Agreement:

18.1.1 clauses 1 (*Definitions and Interpretation*);

18.1.2 clause 20 (*Intellectual Property*),

18.1.3 clause 21 (*Confidentiality*),

18.1.4 clause 22 (*Data Protection*),

18.1.5 clause 23 (*Freedom of Information*),

18.1.6 clause 25 (*Dispute Resolution*);

18.1.7 clause 36 (*Governing Law and Jurisdiction*); and

18.1.8 Schedule 3 (*Compensation*) to the extent required for the purposes of any reconciliation of payments following the date of termination,

which shall continue in force after such termination.

## 19. FUNDING AND CONSTRAINTS

19.1 Each Party shall be responsible for funding their own obligations under this Agreement, save where the funding of any obligation is expressly specified in this Agreement, and otherwise in accordance with this clause 19. Where and to the extent any obligation of the Lead Authority pursuant to this Agreement to pay the Operator is dependent upon Welsh Government paying an equivalent amount to the Lead Authority, Welsh Government shall indemnify the Lead Authority against any claims from the Operator arising directly from any delay or failure by Welsh Government to make such payment to the Lead Authority.

19.2 It is acknowledged that funding from (or provisions of works, services or supplies which have been funded by) the Welsh Government is subject to constraints on public spending, including the application of UK and EU rules in respect of state aid and procurement ("**State Aid and Procurement Constraints**"). It is acknowledged that Welsh Government, TFW and the Lead Authority shall not be required to fund or deliver anything pursuant to this Agreement which would be in breach of such requirements.

19.3 Where any Party is unable to perform an obligation under this Agreement due to State Aid and Procurement Constraints the Parties agree to work together in good faith to determine those changes required to this Agreement whilst not breaching such requirements. It is acknowledged that this may include the Parties working together to identify exemptions which may be applicable and where necessary engaging with third parties including the CMA in order to implement the terms of this Agreement.

## **20. INTELLECTUAL PROPERTY RIGHTS**

- 20.1 To the extent that any Intellectual Property Rights are generated pursuant to the terms of this Agreement, the Parties agree that:
- 20.1.1 such Intellectual Property Rights shall remain the absolute property of the Party which generated such rights; and
  - 20.1.2 such Party shall hereby grant to the other Party a perpetual, irrevocable, non-exclusive, fully paid up and royalty free licence (with the right to sub-licence) to use such Intellectual Property Rights for any purpose relating to this Agreement or any successor agreement.

## **21. CONFIDENTIALITY**

### **General**

- 21.1 The Parties agree that the provisions of this Agreement shall not be treated as Confidential Information and may be disclosed without restriction.
- 21.2 Each Receiving Party shall:
- 21.2.1 keep the Disclosing Party's Confidential Information confidential;
  - 21.2.2 use the Confidential Information (or any part thereof) only in connection with performing its obligations under the Agreement; and
  - 21.2.3 subject to clause 21.4 and 23, not disclose the Confidential Information to anyone without the prior written consent of the Disclosing Party.
- 21.3 Data provided by the Operator pursuant to clause 7 or otherwise pursuant to the terms of this Agreement shall be deemed to be Confidential Information where it is identified as such in the table at Part 4 of Schedule 4.

### **Exceptions**

- 21.4 The consent referred to in clause 21.2.3 shall not be required for the disclosure by a Receiving Party of any Confidential Information which:
- 21.4.1 is disclosed to:
    - 21.4.1.1 the CMA; or
    - 21.4.1.2 the Department for Transport,
  - 21.4.2 at any time comes into the public domain otherwise than as a result of breach of this Agreement by the Receiving Party;
  - 21.4.3 is disclosed to the Receiving Party's officers, contractors or agents, in each case to the extent required to enable the Receiving Party to carry out its obligations under this Agreement provided that the Receiving Party makes such person aware of the Receiving Party's obligations under this Agreement and the Receiving Party requires such person to observe the same restrictions on the use of the relevant information as are contained in clause 21.2;



- 21.4.4 is disclosed to the Receiving Party's professional advisers who are bound to such Receiving Party by a duty of confidence which applies to any information disclosed;
- 21.4.5 is disclosed to the Receiving Party's auditors (pursuant to clause 7.8) who are bound to such Receiving Party by a duty of confidence which applies to any information disclosed, to the extent that the statutory provisions under which the auditor was appointed allow for such duty of confidence to be imposed upon the auditor;
- 21.4.6 is received from a third party who is not in breach of any relevant duty of confidence whether express or implied;
- 21.4.7 is independently developed without access to the Confidential Information; or
- 21.4.8 is required to be disclosed by any applicable law or regulatory requirement to which the Receiving Party is subject or pursuant to any order of the court or other competent regulatory authority or tribunal.
- 21.5 These restrictions and prohibition on use, exploitation, communication and disclosure set out in this clause 21 shall continue to apply after the expiration or termination of the Agreement in respect of any Confidential Information for such period of time as such information remains Confidential Information..

#### **Required Disclosure**

- 21.6 If the Receiving Party becomes required, in circumstances contemplated by clause 21.4.8 to disclose any Confidential Information, the Receiving Party shall (save to the extent prohibited by law) give to the Disclosing Party such notice as is practical in the circumstances of such disclosure and shall co-operate with the Disclosing Party, having due regard to the Disclosing Parties' views, and take such steps as the Disclosing Party may reasonably require in order to enable it to mitigate the effects of, or avoid the requirements for, any such disclosure.

#### **Remedy**

- 21.7 The Public Sector Parties acknowledge and agree that money damages may not be an adequate remedy for any breach or threatened breach of this clause 21 and that a breach by any Public Sector Partner of this clause 21 may result in immediate and irreparable competitive injury. The Public Sector Parties therefore agree that in addition to any other remedies that may be available, by law or otherwise, the Operator shall be entitled to seek injunctive relief against any breach or threatened breach of this clause 21 by the Public Sector Parties.

## **22. DATA PROTECTION**

- 22.1 In this clause 22, the expressions "**Process/Processing**", "**Controller**", "**Processor**" "**Data Subject**", "**Personal Data Breach**" and "**Supervisory Authority**" shall have the same meaning as in the Data Protection Laws.
- 22.2 Each Party shall Process Personal Data under this Agreement as a separate Controller, and shall comply at all times with its respective obligations under Data Protection Laws.
- 22.3 In respect of any disclosures of Personal Data by one Party ("**Personal Data Disclosing Party**") to another Party ("**Personal Data Receiving Party**"), the Personal Data Receiving Party shall:

- 22.3.1 only Process the disclosed Personal Data where reasonably necessary for the purposes of performing its obligations, or exercising its rights, under this Agreement (including in respect of any onward disclosures to third parties);
  - 22.3.2 not transfer Personal Data outside the EEA without the prior written consent of the Personal Data Disclosing Party; and
  - 22.3.3 notify the Personal Data Disclosing Party without undue delay upon becoming aware of any Personal Data Breach involving the Personal Data.
- 22.4 Each Party shall co-operate with the other, to the extent reasonably requested, in relation to:
- 22.4.1 any requests from Data Subjects to exercise rights under the Data Protection Laws;
  - 22.4.2 any other communication from a Data Subject concerning the Processing of their Personal Data; and
  - 22.4.3 any communication from a Supervisory Authority concerning the Processing of Personal Data, or compliance with the Data Protection Laws.

### **23. FREEDOM OF INFORMATION**

- 23.1 The Operator shall cooperate to facilitate the Public Sector Parties in complying with their respective obligations under the FOIA and the EIR, together with any guidance and/or codes of practice issued from time to time by the Information Commissioner or the Secretary of State, in the manner provided for in this clause 23, which shall apply whenever any Public Sector Party receives a Request for Information which in that Public Sector Party's reasonable opinion is likely to involve the disclosure of Confidential Information.
- 23.2 Where the relevant Public Sector Party receives a Request for Information in relation to Operator Confidential Information it shall notify the Operator in writing of the Request for Information as soon as practicable after receipt and in any event within five (5) Working Days of receiving a Request for Information and shall consult in good faith with the Operator to ascertain whether disclosure of the requested information would be likely to prejudice the commercial interests of the Operator for the purposes of section 43(2) of FOIA or regulation 12(5)(e) of EIR.
- 23.3 Where the relevant Public Sector Party receives a Request for Information relating Operator Confidential Information, the relevant Public Sector Party shall keep the Operator fully informed and the Operator shall provide all necessary assistance reasonably requested by the relevant Public Sector Party to enable the Welsh Government or TFW to respond to a Request for Information in accordance with Section 1 and Section 10 of the FOIA or regulation 5 of the EIR.
- 23.4 The relevant Public Sector Party agrees that (and shall procure that the Constituent Local Authorities agree that) Operator Data shall, for the purposes of the FOIA, constitute:
- 23.4.1 exempt information pursuant to Part 2 of the FOIA which is provided to the Welsh Government, the Lead Authority and/or TFW in confidence and that disclosure of the Operator Data would constitute a breach of confidence actionable by the Operator; and/or
  - 23.4.2 exempt information pursuant to Part 2 of the FOIA in that it constitutes either a trade secret of the Operator and/or information which if disclosed to the public

would prejudice the commercial interests of the Operator and the Welsh Government, the Lead Authority and TfW will therefore treat all Operator Data as exempt for the purposes of the FOIA.

23.5 In the event that notwithstanding the provisions of clause 23.4, any Public Sector Party is bound by the FOIA to disclose any Operator Data to the public, the relevant Public Sector Party shall nonetheless provide the Operator with a minimum of 48 hours written notice prior to the disclosure of any such data.

## **24. COMPETITION AND PROCUREMENT LAW**

24.1 The Parties intend that this Agreement shall comply with competition law at the date of this Agreement.

24.2 The Parties acknowledge that the development of partnership arrangements pursuant to clause 5 of this Agreement will be subject to the application of competition law, and in particular the parties may need to apply the Part 2 Competition Test, and be satisfied (acting reasonably and by reference to the prevailing law at the time of such consideration) that any Umbrella Partnership Agreement meets the Part 2 Competition Test;

24.3 The Parties intend that:

24.3.1 this Agreement shall not breach the Public Contracts Regulations 2015, the Utilities Contracts Regulations 2016, the Concession Contracts Regulations 2016 or Regulation 1370/2007;

24.3.2 that payments in respect of, and the provision of, services by the Operator pursuant to the terms of this Agreement are consistent with the requirements of article 5 of Regulation 1370/2007.

24.4 Notwithstanding clause 24.1 to 24.3, if:

24.4.1 statements by, advice from, or decisions by competent authorities (including, but not limited to, the CMA) provides additional detail or guidance in relation to the applicability of competition law to this Agreement which may impact on the position of this Agreement or in respect of the negotiation of the Umbrella Partnership Agreement;

24.4.2 statements by, advice from, or decisions by competent authorities impact on the position of this Agreement under procurement law,

the Parties agree to:

24.4.3 meet in good faith and review the impact of such change or other developments on this Agreement; and

24.4.4 make any amendment necessary to ensure that this Agreement complies with applicable competition law or procurement law then in force in the light of such development, whilst taking account of the Parties' commercial intentions as expressed in this Agreement.

24.5 In the event that the Parties are unable to agree as to the extent and nature of such amendments within one (1) month, any party shall be entitled to refer the decision to the Dispute process in accordance with clause 25.

## 25. DISPUTE RESOLUTION

- 25.1 Where any Dispute arises between the Parties in connection with this Agreement, the Parties shall attempt to resolve the Dispute in good faith. During the period of the Dispute, the Parties shall continue to comply with their respective obligations under this Agreement.
- 25.2 Where the Parties are unable to resolve the Dispute in good faith, the dispute may be escalated to the relevant Parties' senior representatives (being a senior executive of the relevant Party with sufficient authority to bind the relevant Party in any agreement reached in respect of the Dispute) in order to try and resolve the Dispute. If the Parties' senior representatives are unable to resolve the Dispute within fifteen (15) Working Days of referral, the Dispute shall be referred to mediation in accordance with clause 25.4, save for any Lead Authority Disputes which shall be referred to resolution pursuant to clause 25.3.
- 25.3 Where a Dispute is a Lead Authority Dispute then the following shall apply:
- 25.3.1 the Lead Authority shall notify an Alternate Lead Authority (whose identity is to be agreed between the Operator and the Lead Authority or where they cannot agree the identity of the Lead Authority as determined by TfW) in writing, asking for input. Such notice shall provide background information on the issue and reasons why the Lead Authority believes the Operator has not engaged in good faith;
- 25.3.2 upon receipt of such notice, the Alternate Lead Authority shall consider the information provided in the notice and shall promptly request any additional information from the Operator that may be required to consider the dispute;
- 25.3.3 upon receipt of such additional information from the Operator, the Alternate Lead Authority shall consider all responses within fifteen (15) Working Days. The Alternate Lead Authority shall notify both the Operator and the Lead Authority of its decision; and
- 25.3.4 in the event that the Alternate Lead Authority agrees that the Operator has not engaged in good faith, then the Lead Authority may suspend or reduce BES 2 Funding paid to the Operator in respect of the disputed service or services or seek compensation in accordance with Schedule 3; or
- 25.3.5 in the event that the Alternate Lead Authority agrees that the Operator has engaged in good faith, the BES 2 Funding paid to the Operator shall continue.
- 25.4 If the Parties are unable to resolve a Dispute within two (2) months, the Parties shall attempt to settle the Dispute by mediation in accordance with the CEDR Model Mediation Procedure. Within ten (10) Working Days of service of referral to mediation, the mediator shall be nominated by CEDR. To initiate the mediation, one Party must serve notice in writing ("**ADR Notice**") to the other Party(s) requesting mediation. A copy of the ADR Notice should be sent to CEDR. Unless otherwise agreed between the Parties, the mediation shall start no later than ten (10) Working Days after the date of the ADR Notice.
- 25.5 If the Dispute is not resolved within ten (10) Working Days after service of the ADR Notice, any Party fails to participate or ceases to participate in the mediation before the expiry of that ten (10) Working Day period, or the mediation terminates before the expiry of that ten (10) Working Day period, the Dispute shall be finally resolved by the courts of England and Wales.
- 25.6 The Parties may by written agreement, agree to vary the time periods set out in this clause 25 to resolve a Dispute.

25.7 Any decision, judgement or settlement resulting from a Dispute determined in accordance with clause 25 shall be recorded in writing, signed by all the Parties involved, and shall be binding on the Parties. Where the Parties have submitted the Dispute to the Courts of England and Wales, the decision of the Courts of England and Wales shall be binding on the Parties.

## **26. CHANGE PROCEDURE**

26.1 The Parties acknowledge and agree that from time to time during the Term, any Party may request a change to this Agreement. A Party may present its proposal for change to the other Parties who shall consider and discuss the proposal.

26.2 Where the Parties agree to amend the Agreement to reflect the proposal, they shall as soon as reasonably practicable (and in any event within twenty (20) Working Days), evaluate the proposal to determine whether it remains in accordance with the Wales Transport Strategy and associated transport plans and propose and agree the amendments required to the Agreement.

26.3 The Parties shall take all reasonable steps to implement those amendments to the Agreement as soon as reasonably practicable. The Parties acknowledge that any changes agreed pursuant to this clause, are not subject to the general amendment clause at clause 29.

## **27. LIMITATION OF LIABILITY**

27.1 References to liability in this clause 27 include every kind of liability arising under or in connection with this Agreement including but not limited to liability in contract, tort (including negligence), misrepresentation, restitution or otherwise. No Party may benefit from the limitations and exclusions set out in this clause in respect of any liability arising from its deliberate default.

27.2 Nothing in this Agreement limits any liability which cannot legally be limited, including but not limited to liability for:

27.2.1 death or personal injury caused by negligence; or

27.2.2 fraud or fraudulent misrepresentation.

27.3 Subject to clause 27.1 and 27.2:

27.3.1 the Public Sector Parties' total liability under and in connection to this Agreement shall in no event exceed an amount equal to the total amounts payable to the Operator up to the date that this Agreement is terminated; and

27.3.2 the Operator's total liability under and in connection to this Agreement shall in no event exceed an amount equal to the total amounts payable to the Operator under the terms of this Agreement.

## **28. ASSIGNMENT**

28.1 This Agreement is personal to the Parties and may not be assigned (whether absolutely or by way of security and whether in whole or in part), sub-contracted, transferred, mortgaged, charged, declared in trust for a third party, or otherwise disposed of in any manner whatsoever to any third party without the prior written consent of the other Parties and any such purported dealing in contravention of this clause shall be ineffective.

- 28.2 In the event that the Operator disposes of its business (or part of its business), the Operator shall act reasonably to:
- 28.2.1 ensure that the party to which its business is transferred enters into an agreement on equivalent terms to this Agreement in respect of that business (or part of the business) (including, where agreed the rights and obligations in respect of the Umbrella Partnership Agreement or any other agreement entered into to further the intent of this Agreement); and
  - 28.2.2 terminate its participation under this Agreement in accordance with clause 11.8, to the extent that the whole of business is disposed of; and
  - 28.2.3 amend this Agreement to reflect the remaining business where part of the business is disposed of.

## **29. AMENDMENT**

- 29.1 This Agreement may only be amended, modified, varied or supplemented in writing signed by or on behalf of all of the Parties to this Agreement.
- 29.2 The Parties shall, as soon as reasonably practicable following the coming into force of any legislation, regulations or statutory instruments (or any amendments to existing legislation, regulations or statutory instruments) which impacts the terms of this Agreement, review and, if necessary, amend the terms of this Agreement to account for such changes.

## **30. WAIVER**

The rights and remedies of the Parties shall not be affected by any failure to exercise or delay in exercising any right or remedy or by the giving of any indulgence by any other Party or by anything whatsoever except a specific waiver or release in writing and any such waiver or release shall not prejudice or affect any other rights or remedies of the Parties. No single or partial exercise of any right or remedy shall prevent any further or other exercise thereof or the exercise of any other right or remedy.

## **31. NOTICES**

- 31.1 Any notice (including any approval, consent or other communication) in connection with this Agreement shall be given in writing and shall either be personally left at the address of the addressee or sent by pre-paid first class post or be sent by electronic mail. The address for service of a Party shall be its address as stated in clause 31.2 or any other address or electronic mail address notified to the other Parties in accordance with this clause 31.1.
- 31.2 The addresses for service of notices are:

### **The Operator**

- a) Address: [ADDRESS]
- b) For the attention of: [POSITION OF CONTACT]
- c) Email address: [EMAIL ADDRESS]

### **Welsh Ministers**

- a) Address: [ADDRESS]
- b) For the attention of: [POSITION OF CONTACT]
- c) Email address: [EMAIL ADDRESS]

**Transport for Wales**

- a) Address: [ADDRESS]
- b) For the attention of: [POSITION OF CONTACT]
- c) Email address: [EMAIL ADDRESS]

**Lead Authority**

- a) Address: [ADDRESS]
- b) For the attention of: [POSITION OF CONTACT]
- c) Email address: [EMAIL ADDRESS]

31.3 In the absence of evidence of earlier receipt, any notice shall take effect from the time that it is deemed to be received in accordance with clause 31.4.

31.4 A notice is deemed to be received:

31.4.1 in the case of a notice personally left at the address of the addressee during normal working hours, upon delivery at that address or if not during normal working hours the next Working Day; or

31.4.2 in the case of a first class posted letter (within the United Kingdom), on the third Working Day after posting; or

31.4.3 in the case of an email, in the absence of a delivery error message, at the time of sending to the relevant addressee,

and for the purpose of deemed receipt under this clause 31.4, it shall be sufficient to prove that personal delivery was made or that the envelope containing the posted notice was properly addressed or the email contained the correct email address.

**32. SEVERABILITY**

If any term of this Agreement is found by any court or body or authority of competent jurisdiction to be illegal, unlawful, void or unenforceable, such term will be deemed to be severed from this Agreement and this will not affect the remainder of this Agreement which will continue in full force and effect.

**33. THIRD PARTY RIGHTS**

33.1 Save as otherwise expressly provided for in this Agreement, a person who is not a party to this Agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

33.2 Where a Lead Authority and/or Constituent Local Authority is stated as having a right pursuant to this Agreement the Lead Authority and/or Constituent Local Authority shall be entitled to exercise that right pursuant to the terms of this Agreement, notwithstanding that it is a third party.

33.3 The rights of the Parties to terminate, rescind or agree any variation to this Agreement are not subject to the consent of any other person.

#### **34. ENTIRE AGREEMENT**

34.1 Subject to clause 34.2, with the Previous BES Funding Arrangements, this Agreement constitutes the entire agreement between the Parties and supersedes any prior agreement or arrangement in respect of its subject matter and:

34.1.1 no Party has entered into this Agreement in reliance upon, and will have no remedy in respect of, any misrepresentation, representation or statement (whether made by any other Party or any other person and whether made to the first Party or any other person) which is not expressly set out in this Agreement; and

34.1.2 the only remedies available for any misrepresentation or breach of any representation or statement which was made prior to entry into this Agreement and which is expressly set out in this Agreement will be for breach of contract.

34.2 Nothing in this clause 34 shall be taken to affect the terms of any Existing Supported Services Contract or New Supported Services Contract between any of the parties to this Agreement, including any amendments to such contracts effected by the terms of this Agreement.

34.3 For the avoidance of doubt, nothing in this clause 34 will be interpreted or construed as limiting or excluding the liability of any person for fraud or fraudulent misrepresentation.

#### **35. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, and by the Parties as separate counterparts but will not be effective until each Party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute one and the same Agreement.

#### **36. GOVERNING LAW AND JURISDICTION**

36.1 This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with Welsh law.

36.2 Subject to the Dispute Resolution Procedure, the courts of England and Wales have exclusive jurisdiction to determine any dispute arising out of or in connection with this Agreement including (without limitation) in relation to any non-contractual obligations.

This Agreement has been entered into on the date stated at the beginning of this Agreement.



Signed for and on behalf of **WELSH  
MINISTERS** by:

)  
)

Signature .....

Name (block capitals) .....

**Director/authorised  
signatory**

Signed for and on behalf of **TRANSPORT  
FOR WALES** by:

)  
)

Signature .....

Name (block capitals) .....

**Director/authorised  
signatory**

Signed for and on behalf of [**LEAD  
AUTHORITY**] by:

)  
)

Signature .....

Name (block capitals) .....

**Director/authorised  
signatory**

Signed for and on behalf of [**OPERATOR**]  
by:

)  
)

Signature .....

Name (block capitals) .....

**Director/authorised  
signatory**

## SCHEDULE 1: WELSH GOVERNMENT REQUIREMENTS

The Parties acknowledge and agree that in consideration of the Welsh Government providing the BES 2 Funding and other payments pursuant to this Agreement, the Operator shall comply with the following obligations. Failure to comply with these obligations will constitute a material breach under the terms of this Agreement:

### 1. Safety of passengers and staff is paramount

1.1 In providing Local Services the Operator shall comply with the Welsh Government's "Restarting public transport: guidance for operators" (<https://gov.wales/restarting-public-transport-guidance-operators-html>) and any updated guidance provided in response to emerging requirements to respond to the public health impact of the COVID 19 pandemic.

### 2. Reforming Service Delivery

2.1 The Operator shall support the introduction of new and emerging institutional arrangements between the Public Sector Parties that Welsh Government believe are reasonably required to more effectively support the management of bus services in Wales in the future.

2.2 The Operator shall, in good faith, engage with TfW, Welsh Government and the Lead Authorities on behalf of their Constituent Local Authorities to reform funding and reimbursement mechanisms such as BSSG and the Concessionary Travel Scheme to improve the quality and viability of the local services available to passengers in Wales.

2.3 The Operator shall work with TfW and Welsh Government and other operators to develop a vehicle replacement strategy which will help to inform Welsh Government's plans for a sustainable public transport fleet. Subject to the availability of funding and compliance with state aid rules, Welsh Government may fund measures to bring the national fleet up to the required minimum standard.

2.4 Welsh Government is in the process of updating the requirements for the Economic Contract Plan with which all bus operators in receipt of Government funding will be required to sign up to. Once the updated guidance has been published, the Operator shall produce an Economic Contract for approval by TfW, acting reasonably and on behalf of Welsh Government, within (6) six months of publication of the guidance.

2.5 Following the issue of the updated requirements for the Economic Contract Plan, pursuant to paragraph 2.4, TfW shall set out a timetable and process for the development, review, approval and monitoring of the Operator's Economic Contract.

2.6 The Parties acknowledge that, at the time of signing this Agreement, the Operator will not have had sight of the requirements for the Economic Contract Plan. TfW and Welsh Government shall work with the Operator and representatives of the bus industry to reach agreement on affordable and sustainable options for implementing such requirements.

2.7 In advance of the development of the new requirements for the Economic Contract Plan, the Operator shall commit to complying with the principles of the current Economic Contract ([found here](#)), specifically with respect to:

2.7.1 growth potential;

2.7.2 fair work;

- 2.7.3 promotion of health, including a special emphasis on mental health, skills and learning in the workplace; and
  - 2.7.4 progress in reducing carbon footprint.
- 2.8 The Operator acknowledges that Welsh Government intends that the Operator's Economic Contract and delivery against the same may form a key part of:
- 2.8.1 the evidence for the scoring of future competitions for grant funding or other contracts which make use of Welsh Government funding; and
  - 2.8.2 the conditions for other statutory and non-statutory schemes relating to the funding of the bus industry in Wales which Welsh Government may introduce in the future.

### 3. **Improving the Passenger Experience**

The Operator shall use reasonable endeavours to work with the Lead Authority, the Constituent Local Authorities and TfW to increase patronage and social inclusion on bus services and the wider public transport network in Wales.

#### 3.1 **Routes**

- 3.1.1 To the extent that reinstatement of the pre-COVID 19 network meets the Priorities and can be provided within the funding available, the Operator shall, by agreement with the Lead Authority, progressively re-instate the network of services that the Operator provided prior to the impact of COVID 19.
- 3.1.2 The Lead Authority shall work with the Operator and the Constituent Local Authorities to determine what changes may be required to the network of services provided by the Operator in response to changing passenger demand and patterns of travel and shall authorise such changes, including the use of alternative delivery modes, in line with the Reference Network. Such changes may include adjustments to the Operator's timetables and routes, where these are necessary to integrate the Operator's services, other bus services and modes of transport to provide passengers with improved journey times and a better experience of public transport.
- 3.1.3 During the term of this Agreement, and reflecting the material funding being provided by Welsh Government to support continued provision of Local Services by the Operator, the Operator shall seek permission from the Lead Authority prior to registering any new service. Such permission shall not be unreasonably withheld where the Operator demonstrates compatibility of such service with the Reference Network or justifies the change to the Reference Network based on passenger need and positive impact on value for money for the Lead Authority.

#### 3.2 **Fares and Ticketing**

- 3.2.1 The Operator shall demonstrate that it has sought to improve value for money for passengers by confirming that it has considered options for capping and rationalising fares. No increase in fares will be allowed during the Term of this Agreement unless it is part of a proposal, approved by the Lead Authority, to improve overall value for money for passengers.

3.2.2 The Parties shall work together to develop and implement ticketing schemes for the benefit of passengers and the Operator, whether proposed on a statutory or non-statutory basis subject to compliance with competition law.

**4. Negative Conditions**

For the Term of this Agreement the Operator shall not:

- 4.1 act in a way which is primarily intended or expected to make cost effective delivery of the Reference Network more difficult;
- 4.2 carry out their business in a manner which can be shown to, overall, have the intent or expectation of reducing passenger benefits from the bus network in Wales; and
- 4.3 register Local Services which have the primary effect of undermining the value for money of the Subsidised Network (provided that nothing in this paragraph 4 shall prohibit the Operator from replacing an Existing Supported Service or New Supported Service with a Commercial Service which provides the same or better service across all hours of operation of the Supported Service.

**5. Exit from BES 2**

Where clause 10.2 applies, the Operator acknowledges that it is a condition of the payments made under this Agreement that the Operator will work with the Lead Authority, TfW and other operators to develop a set of partnership obligations which will preserve and improve the benefits to passengers embodied in the Welsh Government requirements set out in this Schedule, recognising the fact that such obligations must be compliant with competition law.

## SCHEDULE 2: PARTNERSHIP THEMES

The Parties acknowledge the following matters shall be taken into consideration when agreeing the Umbrella Partnership Agreement and may either be included within the terms of that agreement or may be included as provisions to consider in the implementation of VPAs or other partnership arrangements at a local level.

The Parties shall use the draft form of VPA appended to this Schedule at Section 1 as a template when producing the Umbrella Partnership Agreement.

In developing the Umbrella Partnership Agreement, the Parties agree to build on the Welsh Government requirements as set out in Schedule 1 and to agree a shared, enforceable set of partnership obligations to govern the partnership. Examples of such obligations include the Operators working with TfW and the Lead Authority to develop and, where agreed, implement proposals to:

1. register routes and timetables that support the journey times and interchange opportunities identified in the Reference Network;
2. consolidate core routes, including determining how passengers can benefit from services on core routes irrespective of bus operator, to the extent enabled by competition law;
3. de-duplicate and harmonise route numbering;
4. identify unserved markets and routes that could serve those markets;
5. develop and implement a code of practice on employment terms and driver standards to offer a safe and high quality service to passengers;
6. facilitate the introduction of demand responsive or other approaches to service delivery, e.g. by deregistering the existing Local Services, where it is identified that routes may be more effectively served by other means;
7. align new routes within the Reference Network where appropriate whilst allowing the Operator innovation in respect of new routes and bus services;
8. improve value and/or convenience for passengers. This shall, to the extent enabled by competition law, include working with TfW and the Constituent Local Authorities on the introduction of ticketing schemes (whether statutory or voluntary) which may:
  - 8.1 introduce pay as you go capping;
  - 8.2 rationalise fares; and/or
  - 8.3 introduce day and/or weekly tickets,
9. establish multi-operator ticketing schemes;
10. provide information to support passengers, including the prompt communication of changes to bus timetables through Traveline Cymru, Lead Authority, Constituent Local Authorities and TfW; and
11. invest in bus services alongside the Welsh Government's and Constituent Local Authorities' investment in infrastructure with the aim of improving customer experience.

**Section 1: FORM OF UMBRELLA PARTNERSHIP AGREEMENT**

## **SCHEDULE 3: COMPENSATION, PAYMENT AND RECONCILIATION**

### **Part 1: General and information provision**

The Operator shall provide such information to TFW and the Lead Authority as they may reasonably require in order to calculate support payments, reconciliation payments and compensation to be paid pursuant to this Schedule 3.

### **Part 2: Payment**

1. The Service Payment (SP) shall be calculated as follows:

$$SP = PC + AM - PR + RP - CP$$

Where:

- 1.1 Service Payment (SP): shall be calculated monthly and in accordance with the following:
  - 1.1.1 the first Service Payment under this Agreement, shall be calculated for a part month to take account of the Effective Date. Service Payments shall be paid on the same basis as BES 1.5 until the Parties agree a revised process to incorporate the provisions of this Part 1 of Schedule 3. The Parties shall use reasonable endeavours to agree the revised process by no later than sixty (60) days after the Effective Date. Once the revised process for payment has been agreed, the Parties agree that paragraphs 1.1.3 and 1.1.4 below shall be updated to reflect such agreement. Any adjustments to allow for actual costs, margin and revenue during this first period shall be taken into account as part of the reconciliation process set out in Part 3 of this Schedule;
  - 1.1.2 the Lead Authority shall on a monthly basis by no later than the [ ]th day of each month, notify the Operator of the proposed Service Payment providing reasonable detail as to how it has been calculated in accordance with this Schedule;
  - 1.1.3 the Service Payment shall be paid by the Lead Authority within [ ] days of the Operator issuing an invoice following receipt of the notice in paragraph 1.1.2 in respect of a month, in respect of provision of services for that month; and
  - 1.1.4 where this Agreement terminates or expires, other than at the end of a month, the Lead Authority shall, acting reasonably, determine the date and calculation of payment to ensure that the Operator is paid for provision of Services throughout the term of this Agreement.
- 1.2 Period Costs (PC): shall be such value as the Lead Authority may calculate in accordance with paragraph 1 of Section 1, noting that Inadmissible Costs, as set out in Section 2 to this Schedule, shall not be included in the calculation of PC;
- 1.3 Assumed Margin (AM): shall be the assumed margin payable to the Operator for provision of the Services and shall be a percentage applied to these elements of the Period Costs (PC) for the relevant period i.e. direct costs, variable costs and overhead costs. The AM shall be initially set at 2% of the value of the Periodic Cost. The Parties agree that during the Term, this assumed margin set at 2% shall be subject to ongoing review by Transport for Wales and Welsh Government to ensure that it remains an appropriate percentage to pay Operators as a margin in addition to their costs in accordance with Schedule 5;

- 1.4 Periodic Revenue (PR): shall be all revenue received by the Operator in respect of the relevant period as the Lead Authority may calculate in accordance with paragraph 1 of Section 1;
- 1.5 RP: is any reconciliation payment in accordance with Part 3, and shall be a positive figure where the Reconciliation Payment is to be made to the Operator and a negative figure where a Reconciliation Payment is to be made to the Lead Authority; and
- 1.6 CP: is any compensation payment payable pursuant to Part 4.
- 2. Where:
  - 2.1 SP is a positive figure then this amount shall be paid by the Lead Authority to the Operator, provided that the value of SP shall always be capped at a maximum at the level calculated in accordance with Section 1 (which may vary each month in line with the calculation); and
  - 2.2 SP is a negative figure then this amount shall be paid to the Lead Authority by the Operator, in each case in accordance with clause 9 and this Schedule.
- 3. The Operator shall participate in an open book reconciliation process with TfW and the Lead Authority in accordance with Part 3 to allow assessment of costs to ensure that the Operator has not been overcompensated and that payments reflect the reasonable cost of providing the Services with no more than a reasonable profit earned. Where the reconciliation process determines that the Operator has been over-compensated in any month, the value of the Monthly Costs payable in following months shall be adjusted, at the discretion of the Lead Authority (acting reasonably), such that, the Monthly Service Payment made by the Lead Authority reflects the Lead Authority's expectation of the Operator's costs in future months.
- 4. The Operator acknowledges and agrees that where it fail to provide information in accordance with Section 1 of Schedule 3, this may result in a reduction in the Service Payment to:
  - 4.1 50% in the following month; and
  - 4.2 no payment in the month following the 50% reduction,

provided that where the operator provides such information the balance of such payment shall be made as part of the next Service Payment.

### **Part 3: Reconciliation**

- 1. The Operator shall participate in an open book reconciliation exercise with TfW and the Lead Authority to enable them to assess compliance by the Operator with the terms of this Agreement and ensure that the Operator has not been over-compensated or under-compensated for provision of services pursuant to the terms of this Agreement. The Operator acknowledges that the support provided to the Operator pursuant to the terms of this Agreement cannot lead to:
  - 1.1 over-compensation of the Operator, and where it is determined that the Operator has been over-compensated for provision of any Local Service that the Lead Authority shall be entitled, on behalf of Welsh Government, to recover the amount of any over-compensation, in accordance with this Part 3 of Schedule 3; or
  - 1.2 under-compensation of the Operator, and where it is determined that the Operator has been under-compensated for provision of any Local Service as a result of events which were outside the reasonable control of the Operator (including the impact of exceptional weather related



events and material unforeseen variations in passenger revenues), and in such circumstances the Lead Authority shall be entitled, on behalf of Welsh Government, to add the amount of any under-compensation to the next Service Payment provided in aggregate provided that the total Service Payments made to the Operator, including any such payments, shall not exceed the maximum levels calculated in accordance with Section 1.

2. The reconciliation process shall be carried out in accordance with paragraph 2 of Section 1 to this Schedule 3.
3. TfW may determine materiality thresholds for the carrying out of the reconciliation process, and determine that it would be disproportionate to carry out a reconciliation process in respect of the Operator. Such decision shall be solely at TfW's discretion, and where TfW makes any such decision, the Operator acknowledges that this shall be without prejudice to any future requirement to examine payments made to the Operator, including where this is required for the purposes of state aid, procurement or competition assessment. It is acknowledged that TfW may determine materiality thresholds by reference to level of payments made to the Operator, or such other criteria as TfW may determine are appropriate.
4. The Operator shall provide any information reasonably required by TfW or the Lead Authority on an open book basis, including, but not limited to, information specified in Part 1 to Schedule 4.
5. Information provided for this purpose may be shared with contractors that are engaged by TfW to undertake any reconciliation exercise or other analysis of the BES 2 Funding.

## Part 4: Compensation

1. Where pursuant to the terms of this Agreement, the Lead Authority or Welsh Government are entitled to be paid compensation by the Operator for breach of the terms of this Agreement, the provisions of this Part 4 shall apply, including:
  - 1.1 where the Operator is in material breach of this Agreement;
  - 1.2 where the Operator fails to agree the terms of the Umbrella Partnership Agreement, in accordance with clause 5.1;
  - 1.3 where the Operator fails to comply with the Welsh Government's "Restarting public transport: guidance for operators" in accordance with paragraph 1.1 of Schedule 1;
  - 1.4 where the Operator fails to comply with the Reference Network and associated Service Standards in accordance with clause 8; and
  - 1.5 where the Operators fails to provide data in accordance with clause 7,

and the Lead Authority shall allocate service failure points ("**SFP**") in respect of each such breach on the following basis:

<b>Trigger</b>	<b>Service Failure Points</b>
Operator fails to agree the terms of the Umbrella Partnership Agreement, in accordance with clause 5.1.	1 SFP for each day following the date on which the Umbrella Partnership Agreement remains unagreed in accordance with clause 5.1.
Operator fails to comply with the Welsh Government's "Restarting public transport: guidance for operators" in accordance with paragraph 1.1 of Schedule 1.	20
Operator fails to comply with the Reference Network and associated Service Standards in accordance with clause 8.	30
Operators fails to provide data in accordance with clause 7	20
<b>Total:</b>	<b>100</b>

Compensation Payments shall be calculated on the following basis:

$$CP = AM \times \frac{SFP}{MSFP}$$

Where:

- 1.5.1 AM means the Assumed Margin for the relevant period as calculated in Part 2 above.
- 1.5.2 SFP means the total number of Service Failure Points allocated in respect of the relevant period.

- 1.5.3 MSFP means the maximum number of Service Failure Points which may be allocated in respect of the relevant period, which shall be 100.
- 1.6 Where SFP's have been allocated for the same trigger in three (3) consecutive months or more, the Lead Authority or Welsh Government shall be entitled to terminate this Agreement in accordance with clause 11.2.

## Section 1: INFORMATION TO BE PROVIDED BY THE OPERATOR

### Definitions

**"Good and Efficient Operator"** means in the context of all other relevant provisions of this Agreement a notional bus operator, having the same commercial, regulatory and operational arrangements as the Operator and being subject to the same operational circumstances (which, for the avoidance of doubt, shall recognise the extraordinary impact of COVID-19, the existence of this Agreement and the requirement for operators to act in the national interest in response to COVID-19) as other bus operators, which complies with its legal obligations, including pursuant to this Agreement and in a timely, efficient and economical manner and with the degree of skill, diligence, prudence and foresight which can be expected from a skilled and experienced bus operator so that in this context costs and revenues are optimised in combination to the greatest extent reasonably practicable;

**"Forecast Template"** means the Excel spreadsheet issued by TfW, as updated from time to time, to capture forecast revenue and costs for the purpose of calculating the Service Payment;

**"Inadmissible Costs"** means those costs which are listed in Section 2 to Schedule 3;

**"Management Accounts"** means the periodic management accounts which cover the relevant Quarter;

**"Month"** means a calendar month;

**"Operator Specific Reporting Period"** means a four-weekly, five weekly, monthly or similar cycle on which the Operator posts its accounts;

**"Quarter"** means a period of three (3) months (April to June, July to September, October to December and January to March), or such other three (3) month period as TfW may reasonably specify;

**"Reconciliation Period"** means the closest multiple of the Operator Specific Reporting Period to the Quarter, to be agreed with the Operator; and

**"Reconciliation Template"** means the Excel spreadsheet issued by TfW, as updated from time to time, to capture the actual revenue and income generated and costs incurred by the Operator for the relevant Quarter.

#### 1. Information to be provided Monthly

1.1 In order for PC and PR to be calculated in accordance with paragraph 1 of Schedule 3, for each Month, the Operator shall complete the Forecast Template which provides high level details on the forecast revenue and costs for that Month;

1.2 TfW will provide the Forecast Template for the Operator to complete and return to TfW within fourteen (14) days of the Operator issuing an invoicing following receipt of the notice from the Lead Authority notifying the Operator in reasonable detail of the proposed Service Payment or on such other date as may be agreed with TfW.

1.3 The Operator shall be required to populate the following items in the Forecast Template in respect of all Local Services that they provide, including Commercial Services, Existing Supported Services, Former Commercial Services and New Supported Services:

1.3.1 Forecast farebox revenue: based on the current month's predicted outturn plus adjustment for seasonal factors, including, but not limited to Christmas, Easter and school holidays;

1.3.2 Forecast funding: This shall reflect all funding received by the Operator, including but not limited to BSSG, Mandatory Concessionary Fare reimbursement, Young

Persons Travel payments, CJRS, Job Retention Bonus and Job Support Scheme (as amended or replaced from time to time);

- 1.3.3 Other income: This shall reflect all other income received by the Operator arising from the provision of Local Services, including but not limited to income received from advertising, maintenance and sales; and
  - 1.3.4 Forecast Cost: These shall be broken down by headings, e.g. Staff Costs, Fuel/Maintenance Costs, Overhead Costs, Interest, Depreciation etc.
- 1.4 The Forecast Template will use the information provided in line with paragraph 1.3 to calculate the value of Assumed Margin in accordance with the principles set out in paragraph 2 of Schedule 3.

## **2. Information to be provided for each Reconciliation Period**

- 2.1 In order for RP to be calculated in accordance with paragraph 1 of Schedule 3, at the end of each Reconciliation Period the Operator shall complete the Reconciliation Template which provides details on the actual revenue and income generated and costs incurred in the relevant Reconciliation Period.
- 2.2 TfW will provide the Reconciliation Template for the Operator to complete and return to TfW within fifteen (15) Working Days of the end of the relevant Reconciliation Period.
- 2.3 The Operator shall be required to populate the Reconciliation Template, which TfW may reasonably update from time to time, in respect of all Local Services that they provide, including Commercial Services, Existing Supported Services, Former Commercial Services and New Supported Services. Such information to be provided for each Month in the Reconciliation Period in question plus the figures for the same three (3) Months in the prior year (only required for submissions up to the date when the Operator has provided a full prior years' data to TfW, being data up to [31 March 2021] for most operators).
- 2.4 In the event where any of the Operator's Local Services operate across the Welsh border, the Operator shall assist with any further examination and analysis of the information provided in paragraph 2.3 above to ensure that the BES 2 Funding it receives, does not relate to the section of such Local Service which is outside of Wales.
- 2.5 Once the Operator has submitted the Reconciliation Template, this shall be evaluated by TfW to ascertain whether a Reconciliation Payment adjustment will be made to the next Service Payment following the completion of the reconciliation process in this Schedule 3.
- 2.6 In determining the level of Reconciliation Payment, TfW may request further information or evidence from the Operator as it reasonably requires, such as, but not limited to Management Accounts or receipts relating to certain transactions.
- 2.7 TfW shall use the Reconciliation Template and additional information to check whether any costs included in the template are Inadmissible Costs and may amend the Reconciliation Template to adjust the Reconciliation Payment accordingly where any costs are Inadmissible Costs.
- 2.8 Where Inadmissible Costs are identified and the Period Costs (as defined in Part 2 of this Schedule) are re-calculated, the reconciliation exercise shall include consequential adjustments and reconciliation of the Assumed Margin to reflect the change in Period Costs.

## Section 2: INADMISSABLE COSTS

The following costs shall be Inadmissible Costs for the purposes of this Agreement:

1. The Operator agrees and acknowledges that: (i) only reasonable costs incurred and evidenced as ongoing and repeat transactions shall be taken into account; and (ii) it shall operate efficiently during the Term.
2. The Operator shall seek approval from the Lead Authority prior to incurring any material costs which are not ongoing and repeat transactions and agree the basis upon which such transactions will be considered for the purposes of this Schedule 3. Material costs may include investment in vehicles, information technology, costs of depot purchase or refurbishment or major items of plant and equipment. The Lead Authority shall take the following considerations into account when determining the eligibility for BES 2 Funding such costs:
  - 2.1 evidence from the Operator to confirm that such expenditure was in their business plans and/or is required in the current COVID affected circumstances and cannot be deferred until patronage and farebox return to pre-COVID levels;
  - 2.2 confirmation from the Operator that they have explored all other routes for grants and funding such expenditure;
  - 2.3 a forecast of the net impact of the additional expense on their claims under this Agreement; and
  - 2.4 confirmation from the Operator that they will be able to sustain any ongoing payments for this following the cessation of the BES 2 Funding.
3. For the avoidance of doubt, the reconciliation process will not take into account any capital expenditure, exceptional (non-operating) payments or dividend payments in determining whether the Operator has generated a profit before tax, or a loss at the end of each Reconciliation Period. The Lead Authority shall determine whether any capital expenditure will be reimbursed in accordance with paragraph 2 above and will be paid in addition to the Service Payment as calculated pursuant to paragraph 1.1, of Part 2 of Schedule 3.
4. Any costs that were incurred otherwise than in accordance with those expected to be incurred by a Good and Efficient Operator including but not limited to:
  - 4.1 staff, director or officer costs in excess of that set out in the Forecast Template (except where evidenced by the Operator as appropriate to the satisfaction of the Lead Authority);
  - 4.2 costs that do not reflect the contracted position under Existing Supported Services Contracts unless such change has been agreed by the Lead Authority;
  - 4.3 new contracts entered in to by the Operator which have not been procured in compliance with the Operator's usual procurement procedures; and
  - 4.4 variations to existing contracts which have not been made in accordance with the Operator's usual procurement procedures or practice.
5. Any bonuses, rewards or discretionary benefits paid to any staff, directors or officers under any schemes which have not previously been approved by the TfW (in their absolute discretion) in writing.

6. Any expenses, disbursements or equivalent costs (to which the Operator's expenses policy would apply) which are incurred other than in compliance with the Operator's expenses policy.
7. Any cost that the Operator may incur as a result of it failing to comply with any applicable laws, to the extent this gives rise to a criminal liability.
8. Any payments, costs or other liabilities owed to affiliates save in respect of such payments costs or other liabilities which have been incurred by the Operator acting as a Good and Efficient Operator.
9. Costs of developing and protecting any Intellectual Property Rights which are not owned by the Operator or are so owned, but where the costs are not ancillary to an activity included in the Forecast Template.
10. Marketing or advertising costs incurred substantially to the benefit of wider group products or group brand recognition and which are not primarily for the benefit of bus services.
11. Fines from government or regulatory bodies.
12. Any costs (including any legal costs and expenses) incurred by the Operator in pursuing any claim against or defending any claim from TfW or Welsh Government in respect of or in connection with the grant offer letter or otherwise.
13. Any costs incurred in relation to the period prior to the BES Funding Period which a Good and Efficient Operator would usually have discharged in the period prior to the BES Funding Period.
14. Any costs incurred in relation to the period prior to the expiry of the term of the BES Funding Period which a Good and Efficient Operator would usually have discharged in the period following the expiry of the BES Funding Period.
15. Interest paid or payable on any loan from any lender that was taken out after the Effective Date (and subject to not having been approved in accordance with paragraph 2 in this Section 2), noting that the cash from such loan will not be taken into account as income in the reconciliation process.
16. Except with the prior agreement of the Lead Authority or TfW (not to be unreasonably withheld), any costs, charges, penalties, compensation or similar payments that the Operator may incur as a result of the termination of any contract or other arrangement.
17. Except with the prior agreement of the Lead Authority or TfW, losses on disposals of fixed or non-current assets.
18. Maintenance costs where the maintenance activity was previously scheduled to be undertaken prior to or after the term of the BES Funding Period or where (and to the extent that) it would have been reasonable and/or prudent for the maintenance to have been carried out prior to or after the BES Funding Period.
19. Depreciation or Capital Expenditure to the extent that the capital cost of acquisition of the relevant assets was to be funded by third party.
20. Costs of complying with any audit by TfW or its agents pursuant to any grant offer letter or this Agreement.

21. Reasonable costs for external assistance to complete this proforma up to £1,500 are not Inadmissible Costs. Any amount in excess of £1,500 plus legal, accountancy and other costs and expenses incurred in connection with the preparation and implementation of this Agreement are Inadmissible Costs.
22. Legal, accountancy and other costs and expenses incurred in connection with any future arrangements between the Lead Authority or TfW and the Operator following the BES Funding Period.
23. Travel costs (including flight travel) of the Operator primarily relating to the business of their group, noting that TfW would expect the group to cover the cost of any such travel.
24. Any costs which relate to that part of a Local Service which operates outside of Wales which shall be calculated on a pro rata basis to the length of the Local Service or as otherwise more accurately evidenced by the Operator.



## SCHEDULE 4: DATA REQUIREMENTS

### Part 1: Financial Data Requirements

The Operator shall provide the following data in accordance with templates provided by TfW and updated from time to time, in respect of Commercial Services, Former Commercial Services and Local Services provided pursuant to Existing Supported Services Contracts and New Supported Services Contracts:

1. Operational costs and revenue from the period covered by BES (including this Agreement and BES 1.5), the Bus Hardship Fund and the 20 March Letter scheme as well as costs and revenues covering a similar period prior to the commencement of the BES, the Bus Hardship Fund and the 20 March Letter schemes. Where intra-group costs are shown, you must be able to show evidence that these are properly incurred costs of providing the services. These figures shall be disaggregated to show major cost and revenue sources, and shall include any payments received from local authorities and central Government such as:
  - 1.1 payments made under the Coronavirus Jobs Retention Scheme, Job Retention Bonus, Job Support Scheme and any replacement schemes;
  - 1.2 payments (and any reconciliation payments) made under BES including Service Payments received;
  - 1.3 payments pursuant to the terms of any Existing Supported Services Contract or New Supported Services Contract;
  - 1.4 payments under existing bus support arrangements including BSSG, Mandatory Concessionary Fare reimbursement and Young Persons travel payments and shall include any costs associated with the operation of such Local Services, including:
    - 1.4.1 direct costs, such as the costs of drivers, parts and fuel (fuel costs shall include the amounts payable or receivable on fuel related financial derivatives in respect of the relevant period, but exclude any "mark to market" gains or losses on financial derivatives);
    - 1.4.2 semi-direct costs, including but not limited to: the costs of engineering, maintenance, traffic pay, vehicle related costs and marketing;
    - 1.4.3 costs of additional holidays accrued by employees in the relevant claim period;
    - 1.4.4 overhead costs, including but not limited to: the costs of administration, pensions, fixed operating costs, insurance and claims;
    - 1.4.5 pensions expenses, including budgeted pension deficit repair costs, on the basis of the ongoing contributions payable for the relevant period, without adjustment to comply with accounting standards;
    - 1.4.6 operating lease costs on the basis of the lease rentals payable during the Term;
    - 1.4.7 depreciation and amortisation of property, plant, equipment, software and other applicable assets on a basis consistent with the Term; and
    - 1.4.8 reasonable PPE and safe operating costs.

2. Revenue sources to also include farebox revenue generated and all other income received by the Operator, including but not limited to income received from advertising and sales in relation to Local Services.
3. Commercial service kilometres covered by the operator's services per 4-week period during the period covered by BES (including this Agreement and BES 1.5), the Bus Hardship Fund and the 20 March Letter Scheme and that for a similar period prior to the commencement of the BES, the Bus Hardship Fund and the 20 March Letter Scheme.
4. Commercial services run and patronage data per 4 week period for the period covered by BES (including this Agreement and BES 1.5), the Bus Hardship Fund and the 20 March Letter Scheme and that for a similar period prior to the commencement of the BES, the Bus Hardship Fund and the 20 March Letter Scheme.
5. Evidence of the process that the Operator has undertaken with Constituent Local Authorities to agree services, including pursuant to the terms of this Agreement and that service changes have been properly communicated to the general public.
6. Evidence of the Operator's cost implications of removing staff from the furlough system early, reasonable costs to bring vehicles back into service, cost of screens around the driver's cab on buses, on bus capacity signage.
7. The same information as above for the equivalent period in the previous financial year.
8. Additional information (e.g. management accounts) to corroborate any submissions.

## **Part 2: Operational Data Requirements**

Where the data is available to the Operator or from its Electronic Ticket Machines, the following data shall be provided by it to support the prioritisation, co-ordination and design of services and to support the provision of information to passengers. The data may be provided direct from the Operator's Electronic Ticket Machine supplier with its permission, not to be unreasonably withheld, or direct from the Operator. The data shall be provided to TfW (or its nominated agent which may be Traveline Cymru or a local authority):

<b>Data</b>	<b>Format</b>	<b>Source</b>	<b>Scope</b>
Timetable	TransXchange 2.4 to include all stop level detail and full geographic routing information	Scheduling software or entry into an online portal for conversion to TransXchange 2.4	Current timetable
Patronage Data	Report from ETMs	Direct from ETM/Operator	Historic and current to support prioritisation of routes
Passenger Counting/Capacity	SIRI VM feed as amended to include occupancy and bus capacity information or report from ETMs	Direct from ETM/Operator	Historic and current to support passenger information and prioritisation of routes
Origin and Destination Data	Report from ETMs	Direct from ETM/Operator	Historic and current to support prioritisation and design of routes
Fares	Spreadsheet Files for Adult and child fares, zone or rider tickets, m-tickets and multi operator tickets. Move to NeTEx format from January 2021	Direct from ETM/Operator	Historic and current to support passenger information and development of quality partnership schemes and ticketing schemes
Real Time Information	SIRI SM (where currently available)	Direct from ETM/Operator	Every 5-30 seconds
	SIRI VM	Direct from ETM/Operator	Every 5-30 seconds
	TransXchange 2.4 (as a minimum standard) to include Service number, journey code and crew/duty number information for each track/leg for each service  Note that this will move to TransXChange 2.4 once the Department for Transport profile is finalised and adopted	Scheduling software or entry into an online portal for conversion to TransXchange 2.4	5 days advance notice where systems permit

### **Part 3: Permitted Use**

1. Permitted Uses of the Operator Data shall be the following purposes:
  - 1.1 calculation of payments to be made in accordance with Part 2 of Schedule 3;
  - 1.2 periodic reconciliation in accordance with Part 3 of Schedule 3;
  - 1.3 calculation of any additional payments to be made in respect of provision of any additional services to be provided pursuant to clauses 12 (Existing Supported Services: Gross Cost), 13 (Existing Supported Services: Net Cost) or 15 (Supported Services Contracts for Former Commercial Services).
  - 1.4 to support the calculation and payment of BSSG, Mandatory Concessionary Fare Reimbursement or My Travel Pass reimbursement;
  - 1.5 identification of any anomalous Operator costs and for the purposes of any audit of operator data or otherwise pursuant to clauses 7.7 to 7.10 of this Agreement;
  - 1.6 the assessment the viability of routes to support return to commerciality and determine the scope of the Subsidised Network in accordance with clause 8;
  - 1.7 to allow review of the BES 2 Funding mechanism specified in this Agreement by Welsh Government and Transport for Wales, including, but not limited to, pursuant to Schedule 5;
  - 1.8 to inform the reform of funding and reimbursement mechanisms (including BSSG and Mandatory Concessionary Fares) by Welsh Government and Transport for Wales including assessing the impact (or potential impact) of such funding mechanisms (and changes to such funding mechanisms) on the operators of local services in the Welsh bus market;
  - 1.9 to support the management of contracts (including Existing Supported Service Contracts as varied in accordance with the terms of this Agreement) that are being managed under this Agreement including in respect of the delivery of local services in accordance with the Service Specification or to the Service Standards;
  - 1.10 development of the Umbrella Partnership Agreement, and any VPA, QPS or ticketing scheme made pursuant to the terms of such Umbrella Partnership Agreement;
  - 1.11 development of the Reference Network in accordance with clause 8;
  - 1.12 provide of public information about the Operator's Local Services and other Local Services operated in Wales;
  - 1.13 provision of a support service to the Traffic Commissioner, including a registration service (subject always to clause 7.5.1);
  - 1.14 inform investment decisions by Welsh Government, TfW and Local Authorities (including the Lead Authority); and
  - 1.15 inform the broader Welsh Government response to the COVID-19 outbreak.

**Part 4: Public Sector Data Access and Confidentiality**

<b>Data provided</b>	<b>Confidential for the purposes of Clause 21</b>	<b>Commercially Sensitive for the purposes of Clause 23</b>
Schedule 3 Part 2 Payment	Yes	Yes
Schedule 3 Part 3 Reconciliation	Yes	Yes
Schedule 3 Part 4 Compensation	Yes	Yes
Schedule 3 Part 4 Section 1 Information to be Provided by the Operator	Yes	Yes
Schedule 4 Part 1 Financial Data Requirements	Yes	Yes
Timetable	No	No
Patronage Data	Yes	Yes
Passenger counting/capacity	Yes	Yes
Origin and destination data	Yes	Yes
Fares	No	No
SIRI SM	No	No
SIRI VM	No	No
TXC supplementary data	Yes	Yes

## SCHEDULE 5: FUNDING REVIEW

### 1. Funding Review

1.1 Welsh Government shall review the implementation of BES Funding on a periodic basis ("**Funding Review**"), at frequencies to be determined by Welsh Ministers at their sole discretion.

1.2 It is acknowledged that BES Funding has been provided on a discretionary basis by Welsh Government and that Welsh Government shall therefore be entitled to apply its own criteria to determine whether to continue the provision of BES 2 Funding, but such criteria may include:

1.2.1 Performance of the Bus Emergency Scheme (including this Agreement) against the available Funding in meeting the Priorities; and

1.2.2 The levels of Funding available.

1.3 The outcome of any Funding Review may include, but not be limited to, the following:

1.3.1 continuation of the BES 2 Funding on its existing terms;

1.3.2 changes to the BES 2 Funding terms, in which case the Agreement shall be varied in accordance with clause 29 to reflect the requirements of such change.

The Parties agree and acknowledge that the Operator may propose a reduced Service Standard to take account of any reduction in BES 2 Funding, save for where either:

1.3.2.1 BES 2 Funding is removed or reduced due to the removal of social distancing measures that previously impacted on transport capacity; or

1.3.2.2 Welsh Government provide an alternative grant or funding scheme in place of BES 2 Funding which is designed to provide continuity of service; or

1.3.3 ending the BES 2 Funding, in which case the Welsh Government shall use reasonable endeavours to provide the Lead Authority and the Operator with sufficient notice of such change in order to minimise the disruption to the Operator's delivery of Local Services. The minimum notice prior to ending the BES 2 Funding shall be the current period of notice to be provided to the Traffic Commissioner in respect of deregistration of Local Services except for where such decision arises as a result of UK government determining to terminate the financial settlement relating to the impact of COVID-19 on bus services or as a result of the Welsh Government budget setting round in which case the notice shall be a minimum of one (1) month.

1.4 Where BES 2 Funding is terminated pursuant to paragraph 1.3 above, no further payments shall be made pursuant to this Agreement, following such notice period, provided that nothing in this Schedule 5 shall be taken to remove the right of Welsh Government to recover monies paid to the Operator or the entitlement of the Operator to any additional payments calculated, in each case, pursuant to the reconciliation and compensation process specified in Schedule 3.

1.5 The Parties agree and acknowledge that as part of a Funding Review, Welsh Government may review the level of AM (as set out in Schedule 3) and make such adjustments as are reasonable

and necessary to ensure the continued viability of services. The review of the level of AM shall consider available Welsh Government budget, the levels of BES funding being provided to the bus industry and prevailing market conditions.

**SCHEDULE 6: FORM OF SERVICE SPECIFICATION**

<b>Operator</b>	<b>Service Registrati on Number</b>	<b>Service number</b>	<b>Route description</b>	<b>Peak Vehicle Requirement (PVR)</b>	<b>Typical weekly days of operation</b>	<b>Mon-Sat First outward departure</b>	<b>Mon-Sat Last return departure</b>	<b>Number of departures per day per direction (Mon-Fri / Sat / Sun)</b>	<b>Weekday Peak daytime frequency in minutes</b>



**SCHEDULE 7: TEMPLATE REGISTER OF VARIATIONS**

**[Region and Operator Name]**

<b>No.</b>	<b>Contracting Authority</b>	<b>Contract Reference</b>	<b>Variation</b>	<b>Approver name</b>	<b>Signature and date of signature</b>
1.					
2.					
3.					
4.					
5.					
6.					
7.					

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