



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

GŴYS A RHAGLEN

SUMMONS AND AGENDA

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**CYFARFOD ARBENNIG
O GYNGOR SIR
YNYS MÔN**

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

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**DYDD MAWRTH
27 HYDREF 2020**

**TUESDAY
27 OCTOBER 2020**

→ am 10.30 o'r gloch ←

→ at 10.30 am ←

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

3. STATEMENT OF ACCOUNTS 2019/20 AND ISA 260 REPORT

- To submit the 2019/20 Statement of Accounts as presented to the Audit and Governance Committee on 13 October 2020.

- To submit the External Audit on the Financial Statement (ISA 260 Report) as presented to the Audit and Governance Committee on 13 October 2020.

4. ANNUAL TREASURY MANAGEMENT REVIEW 2019/20

To submit a report by the Director of Function (Resources)/Section 151 Officer, as presented to the Executive on 28 September 2020.

5. ANNUAL PERFORMANCE REPORT 2019/20

To submit a report by the Head of Profession (HR and Transformation), as presented to the Executive on 26 October 2020.

6. ANNUAL DIRECTOR'S REPORT ON THE EFFECTIVENESS OF SOCIAL SERVICES 2019/20

To submit a report by Interim Director of Social Services, as presented to the Executive on 28 September 2020.

ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	ISLE OF ANGLESEY COUNTY COUNCIL
DATE:	27 OCTOBER 2020
SUBJECT:	STATEMENT OF ACCOUNTS 2019/20
PORTFOLIO HOLDER(S):	COUNCILLOR ROBIN W. WILLIAMS – PORTFOLIO HOLDER (RESOURCES)
LEAD OFFICER(S):	R MARC JONES
CONTACT OFFICER(S):	BETHAN HUGHES OWEN / CLAIRE KLIMAZEWSKI BethanOwen2@ynysmon.gov.uk / ClaireKlimazewski@ynysmon.gov.uk
Nature and reason for reporting	
Covering report for the presentation of the Final Statement of Accounts, commenting on the main issues arising from the Audit of the Accounts	

1. Background

- 1.1 The Isle of Anglesey County Council's draft Statement of Accounts 2019/2020 was presented to the Council's external auditors for Audit on the 6 July 2020. The detailed audit work is now substantially complete and the Auditor's report has been issued and a small number of amendments to the draft have been incorporated into the Accounts.
- 1.2 Subject to the Isle of Anglesey County Council's confirmation, the Accounts will be signed by the Director of Function (Resources)/Section 151 Officer and the Council's Chairman and will be published following the receipt of the Auditor's Opinion.

2. Quality of Process

- 2.1 The statutory deadline for the completion of the Statement of Accounts 2019/2020 itself has, yet again, been met. The 15 September 2020 for the completion of the audit was changed to 30 November 2020 as a result of the Covid-19 pandemic.
- 2.2 Improvements have been made which the audit process identified last year and these improvements have continued. All issues that have arisen throughout the audit were dealt with promptly and in a satisfactory manner. Working papers were produced to a high standard.

3. Amendment to the Accounts since the Draft on 15 June 2020

- 3.1 Details of the main amendments to the draft accounts are set out in the Auditor's Report, Appendix 3. All amendments which have been agreed as requiring restatement by Deloitte have been processed and are within the Statement of Accounts.
- 3.2 No significant amendments were required to the draft statement. At this stage, no financial changes have been made to revenue or capital, therefore, the main financial statements remain the same.

4. Auditor's Recommendations

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

One recommendation in relation to ICT matters.

4.2 This recommendation is included in Appendix 3 of the Auditor's Report.

5. Recommendations

5.1 To accept the Statement of Accounts 2019/20 and authorise the Director of Function (Resources) /S151 Officer to sign the accounts.

5.2 To note the acceptance of the Annual Governance Statement 2019/20 by the Audit and Governance Committee and refer the document to the Leader of the Council and the Chief Executive for signature.

Ynys Môn

THE ISLE OF Anglesey

Statement of Accounts

2019/20



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Narrative Report

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

The narrative report is structured as follows:-

1. The Statutory Framework;
2. About the Isle of Anglesey County Council;
3. Overview and Performance Analysis;
4. Main issues impacting on the 2019/20 Accounts;
5. Explanation of the Financial Statements;
6. Effect of the Covid-19 Pandemic.

1. The Statutory Framework

The Council has a statutory duty to approve and publish a Statement of Accounts. The following pages relate to the Statement of Accounts for the Isle of Anglesey County Council for the year ended 31 March 2020.

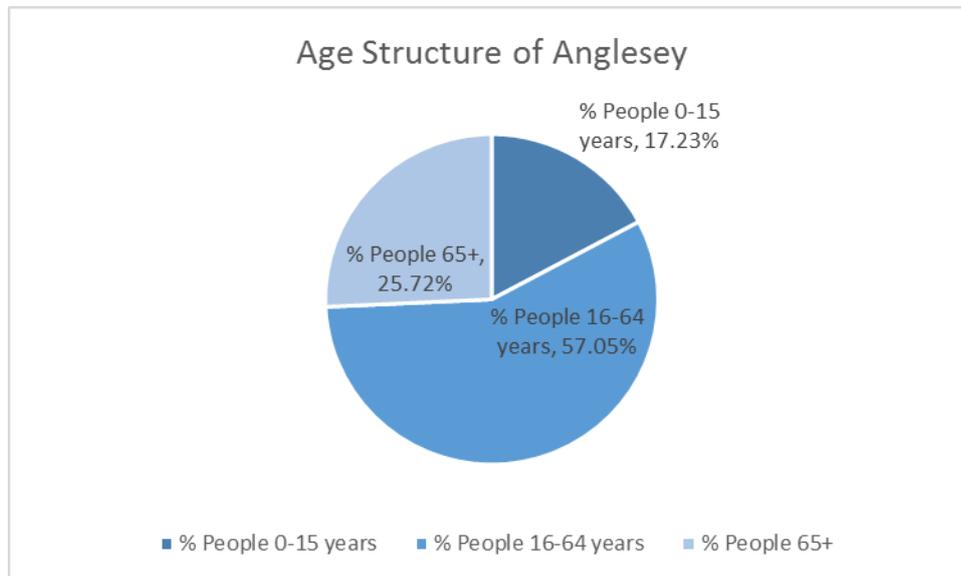
The Accounts and Audit (Wales) Regulations 2014 came into force on 31 March 2015, as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018 for the accounts year 2015/16 and future periods. These regulations require Welsh Local Authorities to prepare a Statement of Accounts in accordance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

Regulation 25 of the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (SI 2003/3239 (W.319), as amended) identifies proper practices for the preparation of the Statement of Accounts. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 issued by CIPFA, supported by International Financial Reporting Standards (IFRS). In addition, this narrative incorporates guidance from HM Treasury's Financial Reporting Manual (FRM), Sections 5.2.1 to 5.2.10 as encouraged by the CIPFA code.

2. About The Isle of Anglesey County Council

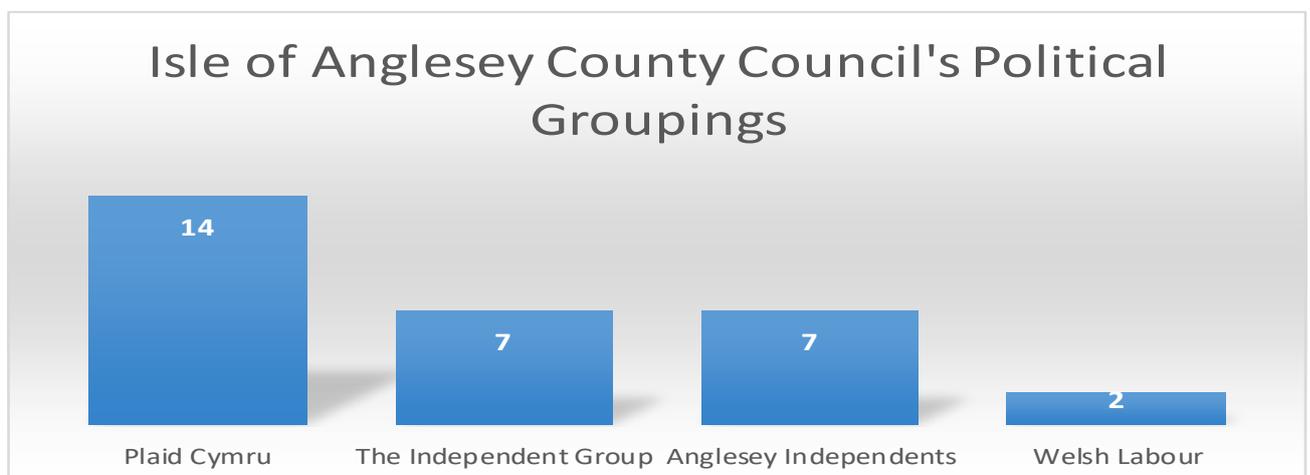
The Isle of Anglesey County Council is a unitary Authority and serves a population of approximately 70,000, situated on the north coast of Wales with an area of 276 square miles. Anglesey is by far the largest island in Wales and the seventh largest in the British Isles. Anglesey is also the largest Island in the Irish Sea by area and the second most populous island in the British Isles.

Anglesey has a relatively older population than the Wales average (20.77%) with 25.72% of the population aged 65+. This figure reflects in the Council's plan to support people to live well and for longer.



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

The Council is a politically-led organisation and has adopted a Leader and Cabinet model. It has 30 elected Members representing 11 multi-Member wards across the County. Following the election in May 2017, the Council has operated under a Plaid Cymru and The Independents Group coalition administration. The political make-up of the Council as at 31 March 2020 is shown below:-



3. Overview and Performance Analysis

3.1 Statement from the Leader of the Council

As Leader of the Council, it is my responsibility to ensure that the important milestone of producing the annual Statement of Accounts is achieved on time each year. The accounts provide a large amount of financial information on how the Council was funded and how it spent that money during 2019/20. It is important in terms of accountability for the Council to provide this information to residents, local Council Tax payers, businesses who pay the Non-Domestic Rates and other stakeholders, including the Welsh Government.

The Council's funding is a mixture of funding from the Welsh Government via the Revenue Support Grant (RSG) and the Council's share of the Non Domestic Rates (NDR) pool, local taxation through Council Tax and the fees and charges paid by the Council's customers. In 2019/20, the Council's net budget was increased by £4.3m to £135.2m, of which £39.4m came from Council Tax. The increase in Council Tax was 9.5%.

The increased budget allowed for an increased investment of £1.4m in Children's Services which, along with other expenditure control measures implemented by the Service, brought the expenditure of the Service broadly in line with the approved budget, which is a significant improvement on the previous financial year. However, the demand for services continued to rise in Adult Services, which saw a budget overspend of £1.085m or 4.3%. The majority of the Council's other services maintained their expenditure on or around the approved budget or had significant underspends. The overall position at the end of the financial year was an underspend of £0.308m with the Council's General Balances at £7.060m. School balances also fell to £197k and the level of earmarked and designated reserves stood at £8.760m.

The results of the year highlight the continuing financial pressure which the Council faces and, although additional funding was allocated to services in 2020/21, it may be that this additional money will not be sufficient to meet the cost of the increased demand for Council services which the Council may face. The uncertainty arising from the Coronavirus emergency, the income lost and what expenditure will be required during the recovery phase adds to the uncertainty.

The position of the Council's Housing Revenue Account is healthy, with the reserve balance currently standing at £8.597m. This is higher than planned due to a slippage in the programme of building new properties. The balance of this reserve will reduce over the forthcoming years as the development programme is accelerated. The use of the Housing Revenue Account is set out in the Council's 30-year business plan which is reviewed and approved by the Welsh Government annually.

The future for public sector funding still remains uncertain and in particular what impact the coronavirus emergency combined with the decision to leave the European Union will have on the UK economy. The UK Government's Comprehensive Spending Review is yet to be published but it will provide a clearer indication of the future funding for Wales. However, the Council is not planning for any significant rises in Welsh Government funding over the next three years and this assumption is reflected in the Council's Medium Term Financial Strategy, which highlights the need for further reductions in revenue expenditure. As the Council's reserves have diminished, there is little scope to use reserves as a short term source of funding. Therefore, the Council is currently reviewing all the services it delivers and looking at alternative methods of delivery which will allow the services to continue but at a lower cost. This will include working more in partnership with Town and Community Councils, Community and Voluntary Organisations and Third Sector Organisations.

Despite the funding difficulties faced by the Council and the additional financial pressures incurred through the Coronavirus pandemic, as Leader of the Council, I am committed to deliver the key objectives of the Council's Corporate Plan and also working with the other five North Wales local authorities and other partners to secure additional Government funding to deliver the projects set out in the North Wales Growth Bid.

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

Llinos Medi Huws
Leader of the Council

May 2020

3.2 Key Purpose and Activities of the Council

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

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

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

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

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

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

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

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

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

There are many challenges ahead, with the biggest challenge for the Authority, its partners as well as communities being the wide-reaching health, wellbeing and economic impact of the Coronavirus. The Council, working together with the people, communities and partner agencies of Anglesey, is doing all it can to protect business, employees and support vulnerable individuals from this uniquely serious crisis.

3.2.1 Financial Scenario

In common with all Local Authorities in Wales, the Isle of Anglesey County Council needs to manage a situation whereby the costs and demands of services are growing but the amount of funding available is reducing year-on-year. The Coronavirus pandemic is adding increased pressure, both financially and operationally, on the Council and it is unclear at this stage to what extent these financial pressures will be alleviated through additional funding. Against this backdrop, the Council needs to manage growing demands for services, inflationary pressures, a need to invest in the local economy to promote growth and a desire to continually improve services.

The Council has responded to the reduction in funding by making substantial savings in the last three years and continues to ensure, wherever possible, these are found through improving efficiency rather than impacting on services. The Council's Medium Term Financial Plan (MTFP) is reviewed and reported to Members in September and February each year to help plan how the Council will manage its finances with ongoing budgetary pressures and funding risks.

The Council's most recent MTFP (September 2019) included an assumption that there would be no increase in the Aggregate External Finance received from Welsh Government. The final settlement for 2020/21 resulted in an increase of 3.8% in the AEF. No indication has been given by Welsh Government as to the level of future funding and no assumption has been made at this point. It is likely that the demand for Council services will continue to increase, as will pay and price inflation. Some of these additional costs can be offset by increasing Council Tax but it is likely that further revenue budget savings will be required over the medium term. The Council will deliver the required savings by:-

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

3.3 Key achievements, issues and risks affecting the Council

During 2019/20, work began on these priorities with the following key achievements achieved during the financial year:-

3.3.1 Proposed and Completed Projects

3.3.1.1 The refurbishment of the Holyhead Market Hall was completed and the Holyhead Library has moved into the building. This releases both the former library site and the Ysgol y Parc site in the centre of Holyhead and the Council has commenced a feasibility study on how to redevelop this site.

3.3.1.2 Progress continues on a flood alleviation scheme for the town of Beaumaris, which has been, in the main, funded from a Welsh Government grant. It is planned to complete the works during the summer of 2020.

3.3.1.3 In addition to the completion and letting of new business units in Llangefni in 2019, work has commenced on the building of additional units on the Penrhos Business Park in Holyhead. The project has been funded by means of an agreement between the Council and the Welsh Government in addition to EU funding.

- 3.3.1.4** Work has commenced on a temporary site for Gypsies and Travellers. The work involves the creation of a site at Star to house up to 10 Gypsy and Traveller families at any one time. The project has yet to be tendered but it is planned for work to commence later in 2020, with the site becoming operational in 2021.
- 3.3.1.5** A number of schemes have commenced during 2019/20 across the Island to provide new social housing units. In addition to the Council developing and building its own units, it is working with private developers and purchasing completed units at agreed prices.
- 3.3.1.6** A new initiative by the Children's Services is being implemented where Out of County placements will be placed in Housing on the Island. It is anticipated that this will yield reduced costs of between £150k and £200k during the 2020/21 financial year.

3.3.2 Working with Partners

- 3.3.2.1** The Council has been working with four other local authorities in establishing a new waste recycling plant, Parc Adfer. The new recycling Plant became operational during 2019/20. This has been a project which has spanned several years in which the Authority has been working in partnership with the other Authorities to develop this site. The introduction of this new recycling plant will lead to improved recycling targets for the Authority.
- 3.3.2.2** The Council is currently working in partnership with the five other North Wales authorities on the North Wales Growth Bid. The bid, if successful, will attract over £240m of UK and Welsh Government funding, along with private sector investment. As with any large-scale funding projects, there are risks surrounding project delivery and financing any borrowing that is required.

3.3.3 The Council's Financial Standing and Associated Risks

- 3.3.3.1** The Council is experiencing increased demand for social care services. Additional funding was provided for Children's Services during 2019/20 but Adult Services significantly overspent its allocated budget. The Welsh Government increased the Council's Aggregate External Funding by 3.8% in 2020/21 and this, and an increase of 4.5% in Council Tax, has allowed the Council to allocate £1.028m to the Service in 2020/21 in addition to funding pay and price inflation. The Council implemented £2.56m of revenue savings in 2019/20 with a further £0.306m of revenue savings planned for 2020/21.
- 3.3.3.2** The Council's general balance is £7.060m, which is 4.9% of its net revenue budget for 2020/21, this is an increase of £1.148m from the general balance of £5.912m at 31 March 2019. This is an improvement on the last three years where the balances of the general reserve had developed a trend of reducing year-on-year. The continued demand for services above the level allowed for in the current year revenue budget increases the risk that these balances will continue the downward trend of prior years to a level which places the Council at significant financial risk.
- 3.3.3.3** The UK leaving the European Union (EU) could lead to a number of risks. The Council will no longer receive European grant funding and there is no certainty on any replacement funding. The impact on the economy from leaving the EU, along with the impact of the Coronavirus pandemic, could also affect the Council, as weaker economic growth will reduce the Welsh Government's ability to increase funding for Local Government.

3.4 Summary of Performance

3.4.1 Revenue Expenditure

The Statement of Accounts sets out the Council's spending and funding in line with accounting requirements. The Council measures financial performance against planned activity in the form of the Council's management accounts. In 2019/20, the Council reported an underspend of £0.308k against a planned activity of £135.210m (net budget) and achieved £2.205m of savings. The table below reflects the final budget for 2019/20 and actual income and expenditure against it.

Services	Annual Budget £'000	Outturn £'000	Variance £'000
Lifelong Learning	50,916	50,673	-243
Adult Services	25,205	26,290	1,085
Children's Services	10,274	10,430	156
Housing	1,220	1,143	-77
Highways, Waste, Property	14,662	14,305	-357
Regulation	3,926	3,809	-117
Transformation	4,516	4,205	-311
Resources	3,053	2,883	-170
Council Business & Corporate Finance	21,438	21,164	-274
Total Council Fund	135,210	134,902	-308

Subjective Analysis

Services	Annual Budget £'000	Outturn £'000	Variance £'000
Employee	88,157	89,933	1,776
Premises	8,424	8,766	342
Transport	4,032	5,399	1,367
Supplies and Services	30,436	31,173	737
Third Party Payments	45,909	47,070	1,161
Transfer Payments	25,790	24,969	-821
Fees and Charges	-10,062	-11,984	-1,922
Rental Income	-1,507	-1,401	106
Transfers and Grants	-55,195	-58,170	-2,975
Other Adjustments	-774	-853	-79
Total Council Fund	135,210	134,902	-308

The impact of an underspend means that the Council increased its general reserves by £308k.

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

3.4.2 Capital Expenditure

The capital programme supports the Council's wider objective to deliver services and to support economic growth. In 2019/20, the Council approved a Capital Programme for non-housing services of £17.282m and approved a Capital Programme for the HRA of £13.110m. In addition, in June 2019, the Council approved Capital Slippage of £3.065m to be brought forward from 2018/19. Since the budget setting process, there have been additional schemes added onto the programme, most of which are grant funded, which amounted to £10.450m. This brings the total Capital Budget for 2019/20 to £43.907m.

The programme has made steady progress in year, achieving a delivery rate of 68.36%. It is expected that most of the remaining schemes will be delivered over the coming few years.

From this total spend of £30.015m, £19.345m was capitalised and added to the value of assets in the Council's Balance Sheet. The remainder was charged to the Comprehensive Income and Expenditure Statement as it was either in support of assets that are not in direct Council ownership (£1.388m) or did not increase the value to the capital assets (£9.282m).

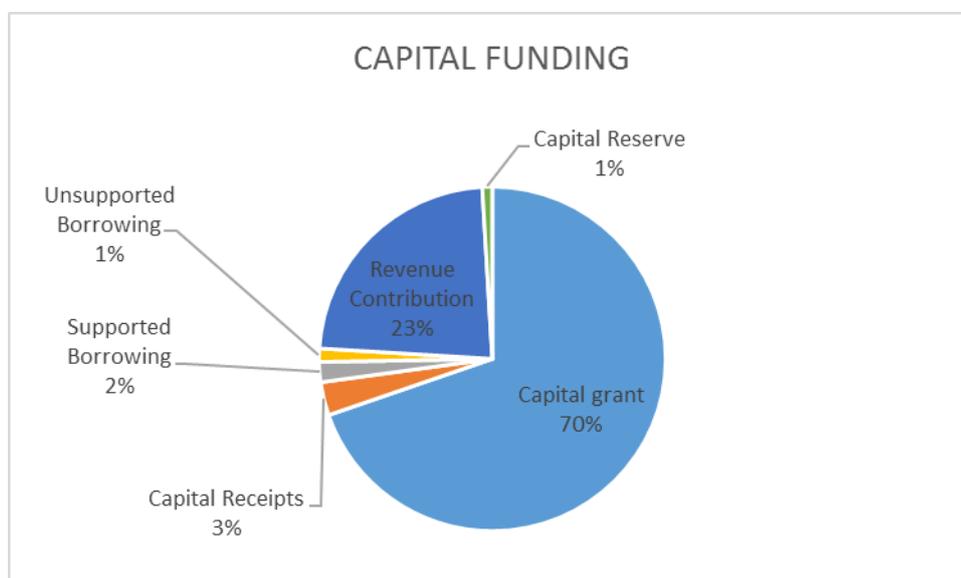
The table below analyses the expenditure that has been capitalised:-

Scheme	Amount (£'000)
Band A 21st Century School – Ysgol Santes Dwywnen	243
Band A 21st Century School – Ysgol Llangefni: Corn Hir and Bodffordd	14
Modular Building (Morswyn) – Child Care for children between 2 and 11 years old	464
Modular Building (Pencarnisiog) – Child Care for children between 2 and 11 years old	416
Modular Building (Y Tywyn) – Child Care for children between 2 and 11 years old	127
Modular Building (Esceifiog) – Child Care for children between 2 and 11 years old	30
David Hughes 3G pitch	76
Plas Arthur Fitness Room	27
Holyhead Basketball Equipment	16
Penrhos Industrial Units	1,945
Llangefni Industrial Units	75
Planning System	42
Economic Stimulus – Porth Bryn Cefni Site	532

Scheme	Amount (£'000)
Vehicles	103
Highways Resurfacing	1,848
Llangefni Cycle Route	151
Active Travel Mapping	350
Llangefni Link Road	103
Local Transport Fund - School Drop Offs	50
A545 Resilience Study	44
Maes Awyr Mon	312
Small Scale works - Preswylfa	111
Maes Hafoty Llansadwrn – Flood Alleviation	145
Beaumaris Flood Alleviation	2,346
Pentraeth Flood Alleviation	403
Drainage studies – Holyhead and Amlwch	40
Gaerwen Park and Ride	601
Invest to Save Vehicles	77
Small Scale Works - Mill Lane Grillage	95
Road Safety	228
New Loading Shovel	180
Smallholdings	88
IT Projects	1,297
Market Hall	689
Residential Site for Gypsies & Travellers	255
Compulsory Purchase – Housing Pilot Scheme	223
Acquisition of Existing Properties and Development of New Properties	5,599
Total	19,345

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

Funded By	Amount (£'000)
Unsupported Borrowing	243
Supported Borrowing	364
Capital Grant	13,484
Capital Receipts	605
Revenue Contribution	4,468
Capital Reserve	181
Total	19,345



As at 31 March 2020, the Authority had £139.232m of External Borrowing. At this time, the Authority's Capital Financing Requirement (CFR), which essentially is a measure of the Council's underlying borrowing need, was £136.904m. In early March 2020, the Council borrowed an additional £10m to fund planned capital expenditure to the end of the financial year, but the global pandemic meant that capital expenditure in the final month was lower than anticipated, which resulted in external borrowing exceeding the CFR. The loan was for a one year period and will be repaid in 2020/21. The level of external borrowing will fall below the CFR during 2020/21 as external borrowing is repaid and capital expenditure is incurred. In the Treasury Management Strategy Statement for 2020/21, the Authorised Borrowing Limit approved by the Council was £178m, therefore, the Authority is well within its borrowing limit.

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

As at 31 March 2020, the Authority's internal sources of funds were cash deposits at bank and other investments of £23.045m. The external borrowing figure was £139.232m.

3.4.3 Balance Sheet

The Council's Balance Sheet demonstrates a good financial position at the end of 2019/20 with a net assets of £188.286m. This is an increase of £25.830m from last year. The value of the Council's long-term assets (property, plant etc.) increased by £18m. This included the addition of Market Hall, Holyhead, which attracted significant grant funding and is operational. It also includes the newly built Ysgol Santes Dwynwen, Newborough, which is a 21st Century School project funded in partnership with the Welsh Government. Existing assets were also revalued. Short-term assets also increased, such as cash which increased by circa £9m.

The details of the Council's long-term and short-term assets and liabilities are shown in the Balance Sheet as at 31 March 2020.

Reserves

The £25.830m increase in the Council's net assets set out above is the result of a £24.730m increase in unusable reserves linked to the increases in long-term assets discussed above and a £1.100m increase in usable balances (including the HRA).

4. Main Issues from the 2019/20 Accounts

The Council set a net budget of £135.210m for 2019/20 to be funded from a combination of Council Tax Income, NDR and general grants. The budget included a requirement to achieve a savings figure of £2.561m, which was incorporated into the individual service budgets. The outturn position was an underspend of £0.308k. The underspend is made up of departmental under or overspends, unused contingencies and any other one-off items identified during the financial year.

Coronavirus

The Council's finances were fairly stable during the financial year. However, the coronavirus crisis affecting the Council in the final month of the financial year 2019/20 is the single biggest issue now facing the Council.

Pensions

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

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

The current economic climate continues to have an impact on the net Pensions Liability. The potential impact of the Covid-19 crisis will be included in the final version of these accounts. It is important to note that the increased liability in the pension position is based on actuarial valuations. The Council's actual payments to the Pension Fund are reviewed every three years as part of the triennial valuation of the Pension Fund. An investment strategy is then determined which aims to recover any deficits over the period as determined by the Pension Fund's Actuary (Hymans Robertson LLP).

Hymans Robertson LLP Professional Actuarial Consultants revalued the Gwynedd Pension Fund, of which the Council is part of, as at 31 March 2019. This reviewed current funding plans and set new contribution rates for each Gwynedd Pension Fund employer for the period from 1 April 2020 to 31 March 2023.

The valuation report predicts an improved position compared to the last valuation in 2016 which predicted that the Pension Fund was underfunded by £145m (funded by 91%). This led to increased contributions for employers. The 2019 valuation estimates that the pension fund is 108% funded by £156m. This has led to reduced contributions for the next three financial years.

Since this valuation, the Coronavirus Pandemic has caused significant market volatility which, in the short-term, has caused a 12% reduction in investment return. However, a long-term view is taken for the pension fund and the valuation report and contribution rates still stand. If there is a more significant decline in the medium-term, for example, in 18 months' time, then an interim valuation will be completed to review the funding of the Pension Fund and ongoing contribution rates.

In addition, the LGPS benefit structure is being reviewed since the McCloud judgement ruled that the 2015 Public Sector Pension reforms introduced unlawful age discrimination. The full financial effect of this judgement is not yet known but it will cause increased costs for each Pension Fund employer. The valuation report takes a prudent approach to estimating contributions, therefore building in increased costs.

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

Provisions

Total provisions held by the Council amounted to £5.234m at 1 April 2019. During the year, the balance reduced by £0.054m to £5.180m. The insurance provision was increased to £0.337m in accordance with estimated need. Short-term provisions amounted to £0.414m in total, to provide for future expected costs which might arise from past obligations. A total of £39k of the Penhesgyn provision was used to fund costs relating to the landfill site during 2019/20.

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

Going Concern

The accounts are prepared on the 'going concern' basis. This means that the accounts have been prepared on the basis of the Council continuing in its current form into the future. The Isle of Anglesey County Council was created by statute/law in 1996 and will continue in its current form until changed by statute.

Materiality

Items of expenditure and income are considered material if the amount would change the true and fair view of the accounts. If a material item was excluded from the accounts, it would significantly change individuals' understanding and the accuracy of the accounts. The Council has set its materiality limit as £200k per item. Amounts less than this are deemed to be immaterial and will not be adjusted for should any error or omission emerge.

5. Explanation of the Financial Statements

The Statement of Accounts sets out details of the Council's income and expenditure for the financial year 2019/20 and its Balance Sheet as at 31 March 2020. These statements include the General Fund and the Housing Revenue Account (HRA). They set out the respective responsibilities of the Council and the Council's Director of Function (Resources), who is the designated Section 151 Officer.

Core Financial Statements:-

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

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

Supplementary Financial Statements

1. **The Statement of Responsibilities for the Statement of Accounts** – explains the responsibilities of the Council and the Section 151 Officer.
2. **The Housing Revenue Account (HRA)** is a record of revenue expenditure and income relating to the Council's housing stock. Its primary purpose is to ensure that expenditure on managing tenancies and maintaining dwellings is balanced by rents charged to tenants. The Housing Revenue Account is ring-fenced from the Council's General Fund.

3. Auditor's Opinion - as the Council's External Auditor, the Auditor General for Wales will carry out the statutory audit and sign the Statement of Accounts following the Section 151 Officer signing and dating the Statement of Accounts. They then issue an opinion as to whether the Accounts need to be qualified or are unqualified. The deadline for this opinion is 15 September following the year-end.

4. Changes in Accounting Policy

There are no material changes to accounting treatment required for 2019/20.

The Statement of Accounts concludes with the Annual Governance Statement (AGS) 2019/20. The AGS provides an overview of the Council's governance framework. It also provides a summary of reports and reviews which comment on governance and performance issues relating to the Council.

6. Impact of the Covid-19 Pandemic

Provision of Services

The Covid-19 pandemic has resulted in the temporary closure of a number of Council services, including schools, leisure centres, libraries, social care day centres, waste recycling centres, museums and the main Council reception. The closure of these facilities has reduced the Council's monthly income by approximately £400k per month but this loss is partially offset by a reduction in energy costs, transport costs and some staffing costs.

The Council has responded to the pandemic by providing more support in the community, including food banks, assisting people who are shielding and providing food parcels or direct payments to parents whose children receive free school meals (approximately 1,500 pupils). All additional costs are reimbursed to the Council by the Welsh Government.

The majority of the Council's schools have remained closed since 20 March 2020 and will not reopen until the Welsh Government instructs the Council to do so. A small number of schools have remained open to provide care to children of key workers and to vulnerable children.

The Council is administering a business support grant on behalf of the Welsh Government to provide grants of £10,000 to businesses whose properties has a rateable value of £12,000 or less and are in receipt of Small Business Rate Relief and a grant of £25,000 to businesses whose properties has a rateable value of between £12,001 and £51,000 and who operate in the retail, leisure or hospitality sectors. It is estimated that the Council will pay out in the region of £27m when all the applications have been processed.

The Council has resumed many of its services since the end of the first full lockdown and is now operating whilst maintaining social distancing and applying Welsh Government guidelines. This may result in an increase in the cost of providing services, but it is not possible to determine the additional cost at this stage.

Council Workforce

The majority of the Council staff worked from home during the lockdown and the additional costs of enabling this to happen in terms of additional IT costs have been funded by the Welsh Government. Around 6% of the Council's workforce were not able to work during the lockdown and were not transferred to undertake any other duties. The Council did not furlough these staff as the funding for these staff was still received, i.e. RSG and Council Tax, and the Council would not have made the staff redundant because of the lockdown. The Council needed to ensure that the staff were also available to undertake other duties should sickness levels increase during the

pandemic. The instances of staff contracting Covid-19 were low and did not result in a significant increase in sickness levels.

The Council has outsourced a number of its main contracts, including Highway Maintenance, Refuse Collection and School Meals catering. The Council continued to pay these contractors in accordance with the requirements set out in the Cabinet Office's Procurement Policy Note PPN 02/20.

Supply Chain

As the majority of the Council's services are outsourced, the responsibility for ensuring an adequate supply chain rests with the contractors and not the Council. The Council has not experienced any significant difficulties with its main supply chains and each service has plans in place should essential suppliers fail to deliver.

The major supply chain priority during the pandemic has been in respect of PPE for social care workers and for workers working in the community. The Council had to resort to placing orders with new suppliers without following the Council's normal procurement processes. This may have resulted in the Council paying higher prices than normal for certain items.

Reserves, financial performance and financial position

The Council's General Fund balance as at 31 March 2020 stood at £7.060m, which equates to 4.9% of the net revenue budget for 2020/21. The Council's financial strategy aims to hold a minimum of 5% of the net revenue budget as General Balances (£7.1m). As a result, the Council's General Balance is slightly lower than the target.

The financial performance for 2019/20 showed a net underspend of £0.308m and was not unduly affected by the commencement of the pandemic.

Moving into 2020/21 has seen the suspension of a number of services, which has resulted in a loss of income for the Authority, mainly from leisure centres, car parking fees, school meals and seasonal fees linked to the tourism industry. Initial estimates put the loss of income at £0.4m per month. There are some savings in expenditure as a result of the lockdown, but they will not fully offset the loss of income.

The pandemic will have a negative impact on the economy with increases expected in the number of Council Tax payers eligible for help with their Council Tax bills under the Council Tax Reduction Scheme. The Welsh Government's funding for the Scheme has been incorporated into the Revenue Support Grant and any increases in the costs of the Scheme will fall on the Council. The current budget for the Scheme is £6m. The economic downturn will also impact on people's ability to pay their Council Tax. The Council allows for a 1.5% loss in setting the tax base each year and collection rates for Council Tax normally result in about 0.7% of the debt being written off. It is anticipated that the write-off of debt will be higher for 2020/21.

The Council only planned a small amount of revenue savings in 2020/21 (£0.31m) and the implementation of these savings proposals are not affected by the pandemic.

It is unclear at the moment as to whether any additional funding will be received from the Welsh Government to meet the cost of the loss in income or to meet any increases in the cost of providing services whilst still meeting the requirements in respect of social distancing. If the Welsh Government does not provide any financial assistance, it is likely that the Council will overspend its net revenue budget in 2020/21, with the sum of the overspend being funded from the General Reserves.

The Council's Housing Revenue Account balance stood at £8.597m as at 31 March 2020. The reserve is earmarked to fund the cost of the development of new properties as set out in the Council's 30 HRA Business Plan. Any significant reduction in the HRA reserve as a result of the pandemic will lead to a reduction in the planned new development programme.

The Council's debt management strategy for 2020/21 was approved by the Council on 11 March 2020. It continued the strategy over recent years of using surplus cash balances to fund capital expenditure wherever possible (internal loans) and to invest surplus cash in ways which are low risk and allow ready access to the cash. At the beginning of the pandemic, £10m of internal loans were externalised and all surplus cash was held in the Council's bank accounts. Welsh Government also paid instalments of RSG early, which improved the Council's cash flow during the lockdown period. Cash balances were monitored on a daily basis during the lockdown and the healthy cash balance ensured that no remedial action was required to resolve any significant falls in cash balances.

The Council's capital programme for 2020/21 is funded mainly from government grants (school modernisation, highway refurbishment and flood relief work), European funded schemes (construction of business units, improvements to town centres), HRA funded projects (new developments, planned maintenance of existing properties) and schemes funded from supported borrowing and general capital grants (maintenance of existing buildings, IT equipment and purchase of new vehicles). Although work on all schemes stopped during the lockdown, they will commence again in 2020/21. Any slippage will not result in any loss of funding.

The financial effects of the pandemic have been considered carefully when preparing the accounts for 2019/20 and, where necessary, adjustments have been made based on information available at the time. Four issues in particular have been reviewed, namely its effect on pension valuations, its effect on income owed to the Council, its effect on asset valuation and its effect on investments. At the time of preparation, the effect on investments and asset valuation were considered minimal while a review of the pension fund is continuing and may not become apparent for several months. Provisions for bad debts have been adjusted for possible loss of income owed to the Authority on 31 March 2020.

Conclusion

The pandemic will impact on the Council's financial position in terms of the loss of income and additional expenditure during the lockdown and will result in the provision of services becoming more costly in the future as the Council has to adjust to the requirements of social distancing. The availability of capital funding may also be reduced, which will impact on the Council's capital programme and, in particular, the two main priorities, school modernisation and the building of new homes.

THE STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Isle of Anglesey County Council's responsibilities

The Isle of Anglesey County Council is required to:-

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

The Section 151 Officer's responsibilities

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

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

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

The Section 151 Officer has also:-

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

Certificate

I certify that this Statement of Accounts gives a true and fair view of the financial position of the Isle of Anglesey County Council at the accounting date and its income and expenditure for the year ended 31 March 2020.

Signed: _____

**Richard Marc Jones FCPFA
DIRECTOR OF FUNCTION (RESOURCES) AND SECTION 151 OFFICER**

Signed _____

**Councillor Margaret Murley Roberts
CHAIR ISLE OF ANGLESEY COUNTY COUNCIL**

Dated: 27 October 2020

Proposed Audit Opinion

We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**. We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion. The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards along with confirmation of other specific information you have provided to us during our audit.

Significant Issues arising from the Audit

Uncorrected misstatements

We set out below the misstatements we identified in the accounts, which have been discussed with management but remain uncorrected. We request that these are corrected. If you decide not to correct these misstatements, we ask that you provide us with the reasons in writing for not correcting them.

- Whilst we note we are awaiting the work to be finalised in relation to the Goodwin case where legal challenge has been made against the Government in respect of unequitable pension benefits for male spouses of female members (in respect of service before 1988). An Employment Tribunal has recently upheld the claim, resulting in an additional liability needing to be recognised in FY20, as a post balance sheet adjusting event, as a past service cost. We note that this is an area which has been developing since the accounts were first drafted, and our pension specialists are currently estimating the impact of this which could be in the order of 0.2% of the defined benefit obligation which is not considered to be material.

Corrected misstatements

There were initially misstatements in the accounts that have now been corrected by management. These were not material so we do not believe that these need to be brought to your attention.

Other Significant Issues arising from the Audit

In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There were no issues arising in these areas this year.

Recommendations

The recommendations arising from our audit are set out in **Appendix 3**. Management has responded to them and we will follow up progress against them during next year's audit. Where any actions are outstanding, we will continue to monitor progress and report it to you in next year's report.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR YEAR ENDED 31 MARCH 2020

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

2019/20			Services	Note	2018/19		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000			Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
73,291	(15,907)	57,384	Lifelong Learning		70,793	(14,660)	56,133
40,699	(11,431)	29,268	Adult Services		37,503	(8,952)	28,551
11,753	(1,072)	10,681	Children's Services		11,876	(1,199)	10,677
5,983	(4,098)	1,885	Housing		4,949	(3,966)	983
26,793	(6,390)	20,403	Highways, Property and Waste		24,934	(5,570)	19,364
12,291	(6,317)	5,974	Regulation and Economic Development		12,694	(7,272)	5,422
5,666	(261)	5,405	Transformation		5,548	(226)	5,322
26,947	(17,679)	9,268	Resources		28,187	(19,454)	8,733
2,245	(412)	1,833	Council Business		1,790	(253)	1,537
1,936	(332)	1,604	Corporate and Democratic Costs		2,148	(1,144)	1,004
482	-	482	Corporate Management		579	-	579
418	-	418	Non-distributed costs		134	-	134
12,591	(18,717)	(6,126)	Housing Revenue Account (HRA)		12,079	(17,843)	(5,764)
221,095	(82,616)	138,479	Deficit on Continuing Operations		213,214	(80,539)	132,675
		23,105	Other operating expenditure	12			22,129
		8,945	Financing and investment income and expenditure	13a			10,405
		(163,380)	Taxation and non-specific grant Income	14			(157,047)
		7,149	Deficit on Provision of Services				8,162
		(13,487)	Surplus on revaluation of non-current assets	11c, 15 & 17			(6,152)
		(19,492)	Re-measurement of net Pension liability	11ch & 41			18,734
		(32,979)	Other Comprehensive Income and Expenditure				12,582
		(25,830)	Total Comprehensive Income and Expenditure				20,744

EXPENDITURE AND FUNDING ANALYSIS

2019/20			Services	2018/19		
Net Expenditure Chargeable to the General Fund and HRA Balances - A = C - B	Adjustments between Funding and Accounting Basis - B	Net Expenditure in the Comprehensive Income and Expenditure Statement - C		Net Expenditure Chargeable to the General Fund and HRA Balances - A = C - B	Adjustments between Funding and Accounting Basis - B	Net Expenditure in the Comprehensive Income and Expenditure Statement - C
£'000	£'000	£'000		£'000	£'000	£'000
50,198	7,186	57,384	Lifelong Learning	50,382	5,751	56,133
26,601	2,667	29,268	Adult Services	26,387	2,164	28,551
10,496	185	10,681	Children's Services	10,671	6	10,677
1,508	377	1,885	Housing	749	234	983
14,464	5,939	20,403	Highways, Property and Waste	14,473	4,891	19,364
3,895	2,079	5,974	Regulation and Economic Development	3,799	1,623	5,422
4,276	1,129	5,405	Transformation	4,422	900	5,322
8,619	649	9,268	Resources	8,219	514	8,733
1,524	309	1,833	Council Business	1,367	170	1,537
1,881	(277)	1,604	Corporate and Democratic Costs	1,286	(282)	1,004
482	-	482	Corporate Management	579	-	579
-	418	418	Non-distributed costs	-	134	134
(4,075)	(2,051)	(6,126)	Housing Revenue Account (HRA)	(7,675)	1,911	(5,764)
119,869	18,610	138,479	Net Cost of Services	114,659	18,016	132,675
(120,969)	(10,361)	(131,330)	Other Income and Expenditure	(115,434)	(9,079)	(124,513)
(1,100)	8,249	7,149	(Surplus) or Deficit on the Provision of Services	(775)	8,937	8,162
(24,844)			Opening General Fund and HRA balance at 1 April	(24,069)		
(1,100)			Less Surplus on General Fund and HRA Balance in Year	(775)		
(25,944)			Closing Council Fund Balances and HRA Balance at 31 March	(24,844)		

MOVEMENT IN RESERVES STATEMENT FOR YEAR ENDED 31 MARCH 2020

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

	Council Fund Balance £'000	Earmarked Council Fund Reserves (Note 8) £'000	HRA Balance (Supplementary Financial Statements) £'000	Capital Receipts Reserve (Note 10) £'000	Schools Balances (Note 9) £'000	Capital Grants Unapplied (Note 14) £'000	HRA Earmarked Reserve (Note 8) £'000	Total Usable Reserves £'000	Total Unusable reserves (Note 11) £'000	Total Reserves (of the Council) £'000
Balance 1 April 2018	6,899	7,601	7,380	320	1,869	-	-	24,069	159,131	183,200
Movement in reserves during the year										
Surplus/(Deficit) on provision of services	(7,258)	-	(904)	-	-	-	-	(8,162)	-	(8,162)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	(12,582)	(12,582)
Total Comprehensive Income and Expenditure	(7,258)	-	(904)	-	-	-	-	(8,162)	(12,582)	(20,744)
Adjustments between accounting basis and funding basis under regulations (Note 7)	6,160	-	1,911	866	-	-	-	8,937	(8,937)	-
Net Increase/ (Decrease) before Transfers to Earmarked Reserves	(1,098)	-	1,007	866	-	-	-	775	(21,519)	(20,744)
Transfers to/(from) Earmarked Reserves (Note 8)	111	1,127	-	-	(1,238)	-	-	-	-	-
Increase/(Decrease) In Year	(987)	1,127	1,007	866	(1,238)	-	-	775	(21,519)	(20,744)
Balance 31 March 2019	5,912	8,728	8,387	1,186	631	-	-	24,844	137,612	162,456
Movement in reserves during the year										
Surplus/(Deficit) on provision of services	(9,410)	-	2,261	-	-	-	-	(7,149)	-	(7,149)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	32,979	32,979
Total Comprehensive Income and Expenditure	(9,410)	-	2,261	-	-	-	-	(7,149)	32,979	25,830
Adjustments between accounting basis and funding basis under regulations (Note 7)	10,156	-	(2,051)	144	-	-	-	8,249	(8,249)	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves	746	-	210	144	-	-	-	1,100	24,730	25,830
Transfers to/(from) Earmarked Reserves (Note 8)	402	32	-	-	(434)	-	-	-	-	-
Increase/(Decrease) In Year	1,148	32	210	144	(434)	-	-	1,100	24,730	25,830
Balance 31 March 2020	7,060	8,760	8,597	1,330	197	-	-	25,944	162,342	188,286

BALANCE SHEET AS AT 31 MARCH 2020

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

	Note	31 March 2020 £'000	31 March 2019 £'000
Property, plant and equipment	15	414,585	396,452
Heritage assets	17	3,640	3,676
Investment property	18	6,189	6,000
Intangible assets	19	501	701
Long-term debtors	24	166	266
Long-term Assets		425,081	407,095
Assets held for sale	21	763	1,557
Inventories	23	333	300
Short-term debtors	24	32,606	29,653
Cash and cash equivalents	25	23,045	15,825
Current Assets		56,747	47,335
Short-term borrowing	44	(16,837)	(7,535)
Short-term creditors	26	(20,429)	(18,151)
Short-term provisions	27	(413)	(429)
Capital grants receipts in advance	37	(1,993)	(2,815)
Current Liabilities		(39,672)	(28,930)
Long-term creditors	26	(159)	(157)
Long-term provisions	27	(4,767)	(4,805)
Long-term borrowing	44	(124,424)	(127,352)
Other long-term liabilities	41	(124,520)	(130,730)
Long-term Liabilities		(253,870)	(263,044)
Net Assets		188,286	162,456
Usable reserves	MIRS	25,944	24,844
Unusable reserves	11	162,342	137,612
Total Reserves		188,286	162,456

CASH FLOW STATEMENT – FOR YEAR ENDED 31 MARCH 2020

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

	Note	2019/20 £'000	2018/19 £'000
Net Deficit on the provision of services		(7,149)	(8,162)
Adjustments to net surplus or deficit on the provision of services for non- cash movements	28	36,503	29,452
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	28	(19,351)	(18,221)
Net cash flows from operating activities		10,003	3,069
Net cash flows from investing activities	29	(9,276)	(10,503)
Net cash flows from financing activities	30	6,493	15,470
Net (decrease)/increase in cash and cash equivalents		7,220	8,036
Cash and cash equivalents at the beginning of the financial year		15,825	7,789
Cash and cash equivalents at the end of the financial year	25	23,045	15,825

NOTES TO THE ACCOUNTS

Expenditure and Funding Analysis

The Expenditure and Funding Analysis (EFA) on page 22 aims to show the real impact of the year's financial performance on the Council's balances. The Comprehensive Income and Expenditure Statement (CIES) includes many accounting adjustments such as depreciation and pension adjustments, which, by law, are not allowed to be funded by Council Tax. These are not true costs which affect Council usable balances. The CIES shows a deficit on the provision of services of £7.149m. This is also shown in column C, called Net Expenditure in the Comprehensive Income and Expenditure Statement, within the EFA on page 22. To ensure that these accounting costs do not affect Council tax payers and Council funds, these costs of £8.249m are cancelled out in the EFA and are also shown in the Movement in Reserves Statement (MIRS) on page 23. These are shown in column B in the EFA on page 22 called Adjustments between Funding and Accounting Basis. Column A on the EFA on page 22 shows the costs properly incurred against Council Funds. This shows a surplus balance of £1.1m and it is calculated by deducting column B from column C. This helps to identify usable Council balances without these accounting adjustments. The impact of these statutory accounting adjustments is shown in the unusable reserves column in the Movement in Reserves Statement. Note 1a summarises the type of accounting adjustments which are not funded by the Council.

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

	£'000
Council usable reserves 1 April 2019	(24,844)
Deficit/(surplus) on the Provision of Services 2019/20 – CIES	7,149
Adjustments to remove impact of accounting adjustments which do not affect the Council Fund – see Note 7	(8,249)
Revised deficit/(surplus) affecting Council balances (including HRA)	(1,100)
Council usable reserves/balances 31 March 2020	(25,944)

The above table shows that, when all the accounting adjustments (detailed in Note 7) are cancelled out, there was an underspend (surplus of income over expenditure) of £1.1m. This, therefore, led to an increase in Council usable balances to £25.944m. This is due to an underspend on the HRA of £210k, an underspend of £308k on the Council Fund and the release of earmarked reserves. The net underspend for the Council from 2019/20 budgeted funding was £0.518m. However, use of Council earmarked and HRA reserves, which total £0.583m, was also used to fund some costs during 2019/20. This led to the increase in the total reserves to £1.1m, rather than £0.518m. This is shown in the summary of usable reserves below.

Summary of Movements in Council Reserves 2019/20

Summary of Movements in Council Balances/Reserves 2019/2020	Council Fund General Reserve	Council Fund Earmarked Reserves	Housing Revenue Account (HRA) Reserve	School Reserves	Capital receipts Reserve	Total Usable Reserves
Items impacting on the Council's Reserve 2019/20	£'000	£'000	£'000	£'000	£'000	£'000
Opening Balance on Council General Reserve 1 April 2019	(5,912)	(8,728)	(8,387)	(631)	(1,186)	(24,844)
Net overspend/(underspend) 2019/20	(308)	0	(210)	0	0	(518)
Council Balance after overspend/(underspend)	(6,220)	(8,728)	(8,597)	(631)	(1,186)	(25,362)
Net transfers from/(to) Reserves for approved funding	(840)	(32)	0	434	(144)	(582)
Net transfer to HRA Reserve for year	0	0	0	0	0	0
General Reserve Balance at 31 March 2020	(7,060)	(8,760)	(8,597)	(197)	(1,330)	(25,944)

NOTE 1 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

NOTE 1a – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS 2019/20

Adjustments from General Fund to Arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes £'000	Net Change for the Pensions Adjustments £'000	Other Differences £'000	Total Adjustments £'000
Lifelong Learning	4,188	2,700	298	7,186
Adult Services	347	2,257	63	2,667
Children's Services	-	197	(12)	185
Housing	6	353	18	377
Highways, Property and Waste	4,750	1,115	74	5,939
Regulation and Economic Development	828	1,182	69	2,079
Transformation	491	588	50	1,129
Resources	16	626	7	649
Council Business	1	273	35	309
Corporate and Democratic Costs	-	(277)	-	(277)
Corporate Management	-	-	-	-
Non-distributed costs	-	418	-	418
Housing Revenue Account (HRA)	(2,711)	589	71	(2,051)
				-
Net Cost of Services	7,916	10,021	673	18,610
Other Income and Expenditure from the Funding Analysis	(13,621)	3,260	-	(10,361)
Difference between General Fund and HRA (Surplus) or Deficit and the Comprehensive Income and Expenditure Statement (Surplus) or Deficit	(5,705)	13,281	673	8,249

2018/19

Adjustments from General Fund to Arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes £'000	Net Change for the Pensions Adjustments £'000	Other Differences £'000	Total Adjustments £'000
Lifelong Learning	3,583	1,939	229	5,751
Adult Services	611	1,623	(70)	2,164
Children's Services	-	20	(14)	6
Housing	1	246	(13)	234
Highways, Property and Waste	4,090	826	(25)	4,891
Regulation and Economic Development	759	948	(84)	1,623
Transformation	465	421	14	900
Resources	16	478	20	514
Council Business	1	198	(29)	170
Corporate and Democratic Costs	-	(282)	-	(282)
Corporate Management	-	-	-	-
Non-distributed costs	-	134	-	134
Housing Revenue Account (HRA)	1,555	407	(51)	1,911
				-
Net Cost of Services	11,081	6,958	(23)	18,016
Other Income and Expenditure from the Funding Analysis	(11,929)	2,850	-	(9,079)
Difference between General Fund and HRA (Surplus) or Deficit and the Comprehensive Income and Expenditure Statement (Surplus) or Deficit	(848)	9,808	(23)	8,937

NOTE 1b – SEGMENTAL INCOME

Services	2019/20 Income from Services £'000	2018/19 Income from Services £'000
Lifelong Learning	(1,390)	(1,528)
Adult Services	(5,301)	(4,538)
Children's Services	-	-
Housing	(70)	(65)
Highways, Property and Waste	(2,788)	(2,795)
Regulation and Economic Development	(2,778)	(2,825)
Transformation	(45)	-
Resources	(151)	(154)
Council Business	(402)	(242)
Corporate and Democratic Costs	(111)	(1,047)
Corporate Management	-	-
Non-distributed costs	-	-
Housing Revenue Account (HRA)	(18,585)	(17,607)
Total Income	(31,621)	(30,801)

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

The Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (the Code) requires disclosure of the expected impact of any accounting standards that have been issued but not yet adopted.

The new or amended standards which have been issued but not yet adopted are:-

- IAS 28 Investments in Associates and Joint Ventures:* IAS 28 states that an organisation should use the equity method when accounting for investment in an associate or joint venture unless the investment qualifies as an exemption. The Council does not have investments of this type and so this has no impact on the Authority's accounts.
- Annual Improvements to IFRS Standards 2015-2017 Cycle.* This includes amendments to IFRS 3 and IFRS 11 as well as IAS 12 and IAS 23.
IFRS 3 and IFRS 11 state that when a party to a joint operation obtains control of that joint operation that is a business, then it must re-measure that interest in the joint operation at fair value as the nature of its interest has changed. However, when a party that participates in (but does not have joint control over) a joint operation now obtains joint control over a joint operation that is a business, it must not re-measure the interest it previously had in that business. The Council is reviewing its accounting treatment of this requirement.
IAS 12 states that an entity must recognise all income tax consequences of dividends, in profit or loss, other comprehensive income or equity, depending on where the transaction originated to generate the profit giving the dividend. This does not affect the Council as it does not have such investments.
- IAS 23 states that an entity must include all outstanding borrowing costs relating to a recognised asset even when it is ready for use or sale. The Council is reviewing its accounting treatment of this requirement.
- IAS 19 Employee Benefits:* If a plan amendment, curtailment or settlement occurs, then it will be mandatory for the current service costs and interest for the period after the event to be re-measured. Amendments have also been included to clarify the effect these events will have on the requirements regarding the asset ceiling. The Council is reviewing its accounting

treatment of this requirement.

- *IFRS 16 – Leases*: The requirement to adopt IFRS 16 has been deferred to 2021/2022 following the Covid-19 outbreak and will, therefore, not be applicable until the 2021/2022 Statement of Accounts. This IFRS will have an impact on the Council as it may need to amend the way it accounts for leased assets such as photocopiers, buildings and machinery. The Council is reviewing its accounting treatment of this requirement.

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

The Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 introduced the new requirements below for Councils to comply with due to updated reporting standards that have been adopted. The relevant changes relate to the following standards, all of which will, where they apply, amend the accounts produced for financial periods starting after 1 April 2019.

- *IFRS 16 – Leases*. The requirement to adopt IFRS16 has been deferred to 2021/2022 following the Covid-19 outbreak and will not apply to the Statement of Accounts until 2021/22.

NOTE 3 – CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

government. In normal circumstances, this would not be sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision. However, the Coronavirus crisis has led to such significant global uncertainty that the Council has considered its impact on four main areas, namely on plant, property and equipment valuation; on investments; on the pension fund and on debts owed to the Council. Some of this review is ongoing but, at the time of issuing the draft accounts, the Authority had decided that the impairment on the Council's plant, property and equipment as well as on investments would be minimal, but the Council has increased the impairment on debts owed to it by £49k. The Actuary has updated the Pension Fund report to take into account the impact of covid-19 on the fund and it also takes into account recent information in relation to the McCloud case.

NOTE 4

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

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

The following items in the Council's Balance Sheet at 31 March 2020 may be considered to be most vulnerable for estimating error in the forthcoming financial year:-

Brexit

The United Kingdom left the European Union on 31 January and is now in a transition period with the EU until 31 December 2020. During the transition period most arrangements will remain the same with the EU and the period will allow the United Kingdom and the European Union to negotiate and agree a deal on their future relationship. Brexit remains a significant area of uncertainty in terms of impact on Local Government and in particular the Irish border issue may impact on Anglesey through Holyhead Port and ferries from and to Ireland. Potential impacts on IoACC Services are continually monitored by the EU Coordinator and escalated where necessary. A separate Brexit Risk register has been created in addition to the Corporate Risk Register and both are updated regularly. Corporate and Service Business Continuity Plans have been amended to account for any potential impacts of Brexit. A recent audit of the Council's preparedness has found Reasonable Assurance that suitable measures are in place.

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

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

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

- The economic useful life is significantly different from the other components of the asset i.e. 15 years or more;
- The value of the asset is £2m or greater and the component is over 25% of the total

- value of the asset;
- The economic useful life is significantly different but the value represents less than 25% of the total value of the asset; the component will be separately identified if, in the Valuer's judgement, it is deemed to be material, e.g. where the value of a component is, say, £3m (10%) of the depreciating asset that has a total value of £30m.

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

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

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

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

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

Impairment Loss Allowance – As at 31 March 2020, the Council had a net debtor balance of £32.772m. A review of arrears balance suggested that impairment for doubtful debts of £5.618m was appropriate. Any differences between the impairment level applied and the actual arrears position will naturally reflect in future spending patterns. Impairment loss allowances/provision for bad debts are contained within the figures for Short-Term Debtors contained in Note 24.

Fair Value Measurement - Fair value measurement will be in accordance with IFRS 13 Fair Value Measurement as reported in the CIPFA Code of Practice 2019/20. In most cases, fair value is a market-based measurement. IFRS 13 provides more direction and clarity in relation to valuation of assets and liabilities. However, where there is no observable market to value against, this will involve professional judgement. When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets). Where possible, the inputs to these valuation techniques are based on observable data but, where this is not possible, judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Authority's assets and liabilities. The depreciated replacement cost (DRC) model is used to measure the fair value of some of the Authority's investment properties.

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

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

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuations are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, the Royal Institution of Chartered Surveyors (RICS) recommend that the authority keep the valuation of these properties under frequent review'.

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

No items were restated in 2019/20.

NOTE 5 – MATERIAL ITEMS OF INCOME AND EXPENDITURE

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

NOTE 6 – EVENTS AFTER BALANCE SHEET DATE

The Statement of Accounts was authorised for issue by the Council's Section 151 Officer on 21 October 2020. Events taking place after this date are not reflected in the financial statements or notes.

Where events taking place before this date provided information about conditions existing at 31 March 2020, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

The following events between 31 March 2020 and 21 October 2020 have occurred which affect the Council and are important to highlight to readers of the Statement of Accounts:-

1. The Waste Management Service, has recently awarded its Waste Collection and Cleansing Contract to its current provider Biffa plc after an intensive tendering process. The new contract will commence on 1 April 2021 for an initial period of 8 years with the option to extend at the end of that period and will be worth £40m over the initial period. The existing contract between the County Council and Biffa has enabled Anglesey to become one of the leading recycling counties in the United Kingdom and both parties will aim to improve recycling rates and cleansing even further in the future under the new contract.

2. As part of its initiative to provide an increased suitable portfolio of social housing to meet demand, the Housing Service, has recently purchased land in the Llaingoch area of Holyhead, from a developer with the intention of building 26 social dwellings in the near future. The Council paid £430k for the land. The average cost of a new build is £157k per dwelling. This would cost £4.082m for the whole estate. These costs would be part of the capital programme and would be funded by either the HRA reserve or external borrowing. Annual income is estimated at £4,819.50 per dwelling which would result in an estimated total rental income per year of £125k. There are much wider benefits than the collection of rent. The Council will have increased capacity for providing social housing to individuals and families and will help the Council achieve its objectives in relation to social housing and reducing homelessness.

3. The Authority is continuing to provide support to the Community in the aftermath of the Covid 19 pandemic and the financial impact through increased costs and loss of income will be monitored in the coming months. Specific examples of support include:
 - Encouraging residents and tourists to 'shop local' through implementing its 'Town Centre Recovery Plan' including offering free parking in town centres.
 - Assisting the Hospitality Sector to reopen by providing guidance and clarification to Local Businesses on how to open safely in line with the Latest Welsh Government guidelines.
 - Expanding its 'Call and Collect' library Service and its 'Housebound Home Delivery Service'.
 - Working in partnership with the voluntary sector, local businesses and residents to provide food banks and distribute food to the vulnerable.
 - Distributing Covid-19 Business Grants and Set up grants on behalf of Welsh Government.
 - Protecting the community against cold callers and fraudsters who provide unreliable and bogus PPE and Covid-19 virus testing kit.
 - Participating in the Track and Trace initiative to contain the virus and prevent its return.
 - Providing shelter for the Homeless through a series of cabins at the former Plas Penlan site.
 - Re-opening Schools fully from 10 September.

These costs are affecting the 2020/21 financial year. Welsh Government has provided grant funding for covid related costs and loss of income therefore at Quarter one a slight overspend of £27k is predicted for the year 2020/21. The demand-led services i.e. schools and children's social care underspent considerably during the first quarter due to the closure of schools, etc. The demand for these services has increased since September. It is uncertain how long Welsh Government will fund additional costs arising from Covid-19 or compensate the Council for loss of income. If this funding is terminated the predicted overspend will increase.

4. Pensions – the Pension Fund's actuary has revised the 2019/20 Pensions report to reflect the fact the McCloud age discrimination case will not cost the pension fund as much as initially provided for the case. The judgement means that there will be additional costs for all public sector service pension funds but these will not be as extensive as first thought. This reduced the historic pensions cost from £953k to £418k. In addition, the revised report took into account the potential impact of COVID-19 on the Pension Fund's investments due to the recession arising from the lockdown. This led to an increase in the Pension fund's underlying

liability. These do not affect outturn or the Council or HRA general funds as these are statutory accounting adjustments required by accounting rules. Welsh Government law prescribes that these should not affect council tax payers so the costs are cancelled out in the movement in reserves statement. Instead, actual contributions paid to Gwynedd Pension Fund during the year are charged to the Council Fund and HRA general funds. Another potential case impacting on Pension funds is the Goodwin Case, gender discrimination case. This is in its early stages so the potential impact of this is not known. The actuary will take into account any potential costs in the Pension Fund report for 2020/21.

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

2019/20	Usable Reserves				Movement in Unusable Reserves £'000
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:					
Charges for depreciation, impairment and amortisation of non-current assets	9,872	3,776	-	-	(13,648)
Revaluation losses on Property, Plant and Equipment	945	(31)	-	-	(914)
Movements in the market value of Investment Properties loss/(gain)	(295)	-	-	-	295
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(13,954)	(4,202)	-	-	18,156
Revenue expenditure funded from capital under statute	125	-	-	-	(125)
Derecognition - replaced parts	3,281	6,213	-	-	(9,494)
Carrying amount of non-current assets sold	1,062	-	-	-	(1,062)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:					
Minimum Revenue Provision for Capital Funding	(2,655)	(816)	-	-	3,471
Capital expenditure charged against the Council Fund and HRA balances	(224)	(7,609)	-	-	7,833
Adjustments involving the Capital Receipts Reserve:					
Proceeds from Sale of Non-Current Assets	(1,194)	-	1,194	-	-
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	(1,050)	-	1,050
Use of capital reserve to finance capital expenditure	-	-	-	-	-
Other Capital Receipts	-	-	-	-	-
Adjustments involving the Financial Instruments Adjustment Account:					
Amounts by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(101)	(42)	-	-	143
Adjustments involving the Pensions Reserve:					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 41)	20,796	999	-	-	(21,795)
Employer's pensions contributions and direct payments to pensioners payable in the year	(8,104)	(410)	-	-	8,514
Adjustment involving the Accumulating Compensated Absences Adjustment Account					
Adjustments in relation to short-term compensated absences	602	71	-	-	(673)
Total Adjustments	10,156	(2,051)	144	-	(8,249)

2018/19	Usable Reserves				Movement in Unusable Reserves £'000
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000	
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:					
Charges for depreciation, impairment and amortisation of non-current assets	9,327	3,868			(13,195)
Revaluation losses on Property, Plant and Equipment	199	7			(206)
Movements in the market value of Investment Properties loss/(gain)	1,518	-			(1,518)
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(13,958)	(2,671)			16,629
Revenue expenditure funded from capital under statute	25	-			(25)
Derecognition - replaced parts	1,913	7,504			(9,417)
Carrying amount of non-current assets sold	1,675	-			(1,675)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:					
Minimum Revenue Provision for Capital Funding	(2,463)	(833)			3,296
Capital expenditure charged against the Council Fund and HRA balances	-	(6,357)			6,357
Adjustments involving the Capital Receipts Reserve:					
Proceeds from Sale of Non-Current Assets	(1,592)		1,592		-
Use of the Capital Receipts Reserve to finance capital expenditure	-		(726)		726
Use of capital reserve to finance capital expenditure	-		-		-
Other Capital Receipts	-		-		-
Adjustments involving the Financial Instruments Adjustment Account:					
Amounts by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	87	37			(124)
Adjustments involving the Pensions Reserve:					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 41)	17,768	407			(18,175)
Employer's pensions contributions and direct payments to pensioners payable in the year	(8,367)				8,367
Adjustment involving Unequal Back-Pay Adjustment Account					
Amounts charged to CIES that are different from the cost of settlements chargeable in year in accordance with statutory requirements	-				-
Adjustment involving the Accumulating Compensated Absences Adjustment Account					
Adjustments in relation to short-term compensated absences	28	(51)			23
Total Adjustments	6,160	1,911	866	-	(8,937)

NOTE 8 – EARMARKED RESERVES

	Balance as at 01/04/2018 £'000	Transfers In 2018/19 £'000	Transfers Out 2018/19 £'000	Balance as at 31/03/2019 £'000	Transfers In 2019/20 £'000	Transfers Out 2019/20 £'000	Balance as at 30/03/2020 £'000
Capital - Revenue contributions unapplied	1,137	192	(218)	1,111	180	(448)	843
Restricted Reserves	3,625	3,241	(1,533)	5,333	1,981	(1,260)	6,054
Invest-to-save	653	-	(251)	402	-	(89)	313
Equal Pay	814	-	(450)	364	-	(314)	50
Recycling	122	250	(104)	268	250	(268)	250
Insurance Fund	1,250	161	(161)	1,250	-	-	1,250
Total	7,601	3,844	(2,717)	8,728	2,411	(2,379)	8,760

Purpose of Earmarked Revenue Reserves

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

Restricted Reserves – specific earmarked reserves within service areas.

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

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

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

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

NOTE 9 – SCHOOLS BALANCES

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

	Balance 1 April 2018 £'000	Addition / (Reduction) for 2018/19 £'000	Balance 31 March 2019 £'000	Addition / (Reduction) for 2019/20 £'000	Balance 31 March 2020 £'000
Community and Voluntary Primary Schools	1,241	(453)	788	54	842
Community Secondary Schools	410	(668)	(258)	(435)	(693)
Community Special School	79	(139)	(60)	(24)	(84)
Foundation Primary School	139	22	161	(29)	132
Total	1,869	(1,238)	631	(434)	197

At 31 March 2020, nine of the 40 primary schools had balances in a deficit position (12 as at 31 March 2019). Three of the five secondary schools are in a deficit position at the end of the financial year (three as at 31 March 2019); the Special School is also in a deficit position at 31 March 2020. The combined value of the schools in deficit is £1.2m (£0.93m as at 31 March 2019). Copies of the Section 52 Statements, which each Council is required to prepare after the end of each financial year under Section 52(2) of the School Standards and Framework Act 1998, can be obtained from the Accountancy Section, Resources Function, County Offices, Llangefni, Anglesey, LL77 7TW.

NOTE 10 – CAPITAL RECEIPTS RESERVE

These are cash receipts from the sale of Council assets. These are used to fund capital expenditure in the year or to carry forward for future years. A balance of £1.330m will be carried forward to 2020/21 to help fund next year's capital programme.

	2019/20 £'000	2018/19 £'000
Balance 1 April	1,186	320
Capital Receipts in year (net of reduction for administration costs)	1,194	1,592
	2,380	1,912
Less:		
Receipts set aside to repay debt	-	-
Capital Receipts used for financing	(1,050)	(726)
Other	-	-
Balance 31 March	1,330	1,186

NOTE 11 – UNUSABLE RESERVES

	31/03/2020 £'000	31/03/2019 £'000
a) Capital Adjustment Account	146,341	137,949
b) Financial Instruments Adjustment Account	(431)	(574)
c) Revaluation Reserve	142,402	131,743
ch) Pensions Reserve	(124,520)	(130,730)
d) Accumulating Compensated Absences Adjustment Account	(1,450)	(776)
Total Unusable Reserves	162,342	137,612

NOTE 11a CAPITAL ADJUSTMENT ACCOUNT

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

The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 7 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

Capital Adjustment Account	2019/20		2018/19	
	£'000	£'000	£'000	£'000
Balance at 1 April		137,949		134,369
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for depreciation and amortisation of non-current assets	(13,648)		(13,195)	
Derecognised assets	(9,494)		(9,417)	
Revaluation losses on Property, Plant and Equipment	(914)		(206)	
Revenue expenditure funded from capital under statute	(125)		(25)	
Amounts of non-current assets written off on disposal or sale (including impairment) as part of the gain/(loss) on disposal to the Comprehensive Income and Expenditure Statement	(1,062)		(1,675)	
		(25,243)		(24,518)
Adjusting amounts written out of the Revaluation Reserve		2,831		2,608
Net written out amount of the cost of non-current assets consumed in the year		(22,412)		(21,910)
Capital financing applied in the year:				
Use of the Capital Receipts Reserve to finance new capital expenditure	1,050		726	
Use of capital reserve	224		-	
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	18,156		16,629	
Statutory provision for the financing of capital investment charged against the Council Fund and HRA balances	3,470		3,296	
Capital expenditure charged against the Council Fund and HRA balances	7,609		6,357	
		30,509		27,008
Movements in the market value of Investment Properties charged to the Comprehensive Income and Expenditure Statement		295		(1,518)
Balance at 31 March		146,341		137,949

NOTE11b – FINANCIAL INSTRUMENTS ADJUSTMENT ACCOUNT

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

Financial Instruments Adjustment Account	2019/20 £'000	2018/19 £'000
Balance at 1 April	(574)	(450)
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	143	(124)
Balance at 31 March	(431)	(574)

NOTE 11 c – REVALUATION RESERVE

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

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

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

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

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

Revaluation Reserve	2019/20 £'000	2018/19 £'000
Balance at 1 April	131,743	128,199
Revaluation of assets and impairment losses not charged to the Deficit on the Provision of Services	13,487	6,152
Difference between fair value depreciation and historical cost depreciation	(2,053)	(1,914)
Revaluation balances on assets scrapped or disposed of	(775)	(694)
Balance at 31 March	142,402	131,743

NOTE 11ch – PENSIONS RESERVE

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

Pensions Reserve	2019/20 £'000	2018/19 £'000
Balance at 1 April	(130,730)	(102,188)
Re-measurement of net defined liability	(21,795)	(18,734)
Reversal of items relating to retirement benefits debited or credited to the Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	19,491	(18,175)
Employers' pension contribution and direct payment to pensioners payable in the year	8,514	8,367
Balance at 31 March	(124,520)	(130,730)

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

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

NOTE 11d – ACCUMULATING COMPENSATED ABSENCES ADJUSTMENT ACCOUNT

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

Accumulating Compensated Absences Adjustment Account	2019/20 £'000	2018/19 £'000
Settlement or cancellation of accrual made at the end of the preceding year	(776)	(799)
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(674)	23
Amounts accrued at the end of the current year	(1,450)	(776)

NOTE 12 – OTHER OPERATING EXPENDITURE

	2019/20 £'000	2018/19 £'000
Precept paid to North Wales Police Authority	8,780	7,944
Precept paid to Community Councils	1,441	1,306
(Surplus)/Losses on the disposal of non-current assets (Including Derecognition)	9,356	9,518
Levies	3,528	3,361
Total	23,105	22,129

NOTE 13 – FINANCING AND INVESTMENT INCOME AND EXPENDITURE

13a – Financing and Investment Income

	2019/20 £'000	2018/19 £'000
Interest payable and similar charges	6,007	5,871
Net interest on the defined liability	3,260	2,850
Interest receivable and similar income	(149)	(64)
Income and Expenditure in relation to investment properties and changes in their fair value	(499)	1,282
Derecognition and impairment of Financial Assets	326	466
Total	8,945	10,405

13b – Income, Expenditure and Changes in the Fair Value of Investment Properties

	2019/20 £'000	2018/19 £'000
(Income)/Expenditure from Investment Properties:		
Income including rental income	(349)	(347)
Expenditure	140	129
Net Expenditure/(Income) from investment properties	(209)	(218)
(Surplus)/Deficit on sale of Investment Properties:		
Proceeds from sale	(100)	(160)
Carrying amount of investment properties sold	105	142
(Surplus)/Deficit on sale of Investment Properties	5	(18)
Changes in Fair Value of Investment Properties	(295)	1,518
Total	(499)	1,282

NOTE 14 - TAXATION AND NON-SPECIFIC GRANT INCOME

	2019/20 £'000	2018/19 £'000
Council Tax Income	49,433	44,606
Non-Domestic Rates Redistribution	22,754	22,574
Revenue Support Grant	73,037	73,238
Other Government Grants	-	-
Capital Grants Applied to Fund Capital Expenditure	18,156	16,629
Total	163,380	157,047

NOTE 15a Non-Current Asset Property, Plant and Equipment (PPE)

2019/20	Property, Plant and Equipment							
	Council Dwellings	Land and Buildings	Infrastructure Assets	Vehicles, Plant and Equipment	Community Assets	PPE Under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation								
At 1 April 2019	147,974	179,745	96,249	13,575	9	11,222	3,446	452,220
Adjustment opening balance	-	-	-	-	-	-	-	-
Additions (Note 20)	11,812	4,749	6,515	1,534	-	3,835	-	28,445
Revaluation inc./.(decr.) to Revaluation Reserve	-	8,483	-	-	-	-	412	8,895
Revaluation inc./.(decr.) to (Surplus) / Deficit on the Prov. of Services	-	(1,166)	-	-	-	-	17	(1,149)
Derecognition - Disposals	-	-	-	-	-	-	-	-
Derecognition - other	-	-	-	-	-	-	-	-
Derecognition - replaced parts	(6,213)	(3,069)	-	-	-	-	-	(9,282)
Reclassification	-	10,732	-	-	-	(11,268)	535	(1)
Reclassifications & Transfers from Assets Held for Sale	-	-	-	-	-	-	108	108
Reclassification to Assets Held for Sale	-	(270)	-	-	-	-	-	(270)
Reclassified from Investment Property	-	-	-	-	-	-	-	-
Reclassified to Investment Property	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	153,573	199,204	102,764	15,109	9	3,789	4,518	478,966
Depreciation and Impairment								
At 1 April 2019	7,149	9,092	30,071	9,401	-	-	55	55,768
Adjustment Cost and Depreciation	-	-	-	-	-	-	-	-
Depreciation Charge	3,521	5,316	3,569	1,011	-	-	8	13,425
Depreciation written out to Revaluation Reserve	-	(4,567)	-	-	-	-	(8)	(4,575)
Depreciation written out to (Surplus) or Deficit on the Provision of Services	-	(237)	-	-	-	-	-	(237)
Derecognition - Disposals	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-	-
Reclassification to Assets Held for Sale	-	-	-	-	-	-	-	-
Reclassification to Investment Property	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	10,670	9,604	33,640	10,412	-	-	55	64,381
Net Book Value								
Balance as at 31 March 2020	142,903	189,600	69,124	4,697	9	3,789	4,463	414,585
Balance as at 31 March 2019	140,825	170,653	66,178	4,174	9	11,222	3,391	396,452

2018/19	Property, Plant and Equipment							
	Council Dwellings	Land and Buildings	Infrastructure Assets	Vehicles, Plant and Equipment	Community Assets	PPE Under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation								
At 1 April 2018	146,450	176,934	90,617	12,827	9	4,502	3,122	434,461
Adjustment opening balance	-	-	-	-	-	-	-	-
Additions (Note 20)	9,028	4,769	2,845	748	-	11,199	-	28,589
Revaluation inc./ (decr.) to Revaluation Reserve	-	1,396	-	-	-	-	153	1,549
Revaluation inc./ (decr.) to (Surplus) / Deficit on the Prov. of Services	-	(328)	-	-	-	-	(1)	(329)
Derecognition - Disposals	-	(765)	-	-	-	-	-	(765)
Derecognition - other	-	-	-	-	-	-	-	-
Derecognition - replaced parts	(7,504)	(1,913)	-	-	-	-	-	(9,417)
Reclassification	-	(348)	2,787	-	-	(2,611)	172	-
Reclassifications & Transfers from Assets Held for Sale	-	-	-	-	-	-	-	-
Reclassification to Assets Held for Sale	-	-	-	-	-	-	-	-
Reclassified from Investment Property	-	-	-	-	-	-	-	-
Reclassified to Investment Property	-	-	-	-	-	(1,868)	-	(1,868)
Balance as at 31 March 2019	147,974	179,745	96,249	13,575	9	11,222	3,446	452,220
Depreciation and Impairment								
At 1 April 2018	3,577	8,801	26,693	8,436	-	-	68	47,575
Adjustment Cost and Depreciation	-	-	-	-	-	-	-	-
Depreciation Charge	3,572	4,981	3,378	965	-	-	9	12,905
Depreciation written out to Revaluation Reserve	-	(4,391)	-	-	-	-	(22)	(4,413)
Depreciation written out to (Surplus) or Deficit on the Provision of Services	-	(203)	-	-	-	-	-	(203)
Derecognition - Disposals	-	(96)	-	-	-	-	-	(96)
Reclassification	-	-	-	-	-	-	-	-
Reclassification to Assets Held for Sale	-	-	-	-	-	-	-	-
Reclassification to Investment Property	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	7,149	9,092	30,071	9,401	-	-	55	55,768
Net Book Value								
Balance as at 31 March 2019	140,825	170,653	66,178	4,174	9	11,222	3,391	396,452
Balance as at 31 March 2018	142,873	168,133	63,924	4,391	9	4,502	3,054	386,886

Revaluations

The Council has £418.226m recognised as Property, Plant and Equipment and Heritage Assets on its Balance Sheet as at the valuation date of 31 March 2020. The Council has now adopted a five-year rolling programme for the valuation of its land and property. However, PPE assets with a fair value of £500k or more are revalued each year. The programme is constructed in such a way as to ensure that entire classes of assets within its land and property portfolio greater than £500k are revalued in a single year. The valuations are undertaken by the Council's in-house valuation team who are members of the Royal Institute of Chartered Surveyors (RICS). The valuations have been completed in accordance with IFRS 13. Non-property assets have not been revalued as the Council has judged that the carrying value of these assets is approximate to fair value, given their relatively short useful economic lives and the relative value of these assets. Additional information on the Council's policy on the measurement and valuation of non-current assets is included in sections 7 to 10 of Note 51 Accounting Policies.

Revaluation History	Council Dwellings £'000	Land & Buildings £'000	Surplus Assets £'000	Plant, Vehicles & Equipment £'000
Carried at historic cost	-	-	-	4,699
Valued at current value as at:				
31 March 2020	2,078	164,352	4,384	-
31 March 2019	(2,047)	19,770	20	-
31 March 2018	142,872	426	-	-
31 March 2017	-	(74)	-	-
31 March 2016	-	5,124	58	-
Total cost or valuation	142,903	189,598	4,462	4,699

NOTE 16 - SIGNIFICANT CAPITAL COMMITMENTS

At 31 March 2020, the Council had entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment, giving rise to significant capital commitments of £7.560m in 2020/21 and future years as shown in the table below. Similar commitments to 31 March 2019 were £0.681m.

	Commitment into 2020/21 & future years as at 31 March 2020 £'000	Commitment into 2019/20 & future years as at 31 March 2019 £'000
Band A Ysgol 21ain Ganrif – Ysgol Santes Dwywnwen	-	152
Market Hall Holyhead - Phase II	-	422
Planned Maintenance Contracts - HRA	3,843	107
Development of New Properties - HRA	2,210	-
Holyhead Strategic Infrastructure	1,396	-
Beaumaris Flood Alleviation	111	-
Total	7,560	681

NOTE 17 – HERITAGE ASSETS

2019/20

	Art Collection and Civic Regalia £'000	Heritage Land & Buildings £'000	Total Heritage Assets £'000
Cost or Valuation			
At 1 April 2019	2,110	1,941	4,051
Adj to opening	-	(75)	(75)
Additions	-	-	-
Disposal	-	-	-
Revaluation	-	17	17
Accumulated Depreciation written out	-	(17)	(17)
At 31 March 2020	2,110	1,866	3,976
Accumulated Depreciation and Impairment			
At 1 April 2019	-	375	375
Adj to opening	-	(75)	(75)
Depreciation Charge	-	53	53
Accumulated Depreciation written out	-	(17)	(17)
At 31 March 2020	-	336	336
Net Book Value			
At 31 March 2020	2,110	1,530	3,640
At 31 March 2019	2,110	1,566	3,676

2018/19

	Art Collection and Civic Regalia £'000	Heritage Land & Buildings £'000	Total Heritage Assets £'000
Cost or Valuation			
At 1 April 2018	2,110	1,910	4,020
Additions	-	-	-
Disposal	-	-	-
Revaluation	-	132	132
Accumulated Depreciation written out	-	(101)	(101)
At 31 March 2019	2,110	1,941	4,051
Accumulated Depreciation and Impairment			
At 1 April 2018	-	375	375
Depreciation Charge	-	101	101
Accumulated Depreciation written out	-	(101)	(101)
At 31 March 2019	-	375	375
Net Book Value			
At 31 March 2019	2,110	1,566	3,676
At 31 March 2018	2,110	1,535	3,645

Revaluation of Heritage Assets

A number of Land and Buildings assets have been identified as meeting the definition of Heritage Assets. At 31 March 2020, there were four such assets (unchanged from 31 March 2019):-

Beaumaris Gaol
Beaumaris Courthouse
Melin Llynnon Mill
Pilot Cottages, Ynys Llanddwyn

Beaumaris Gaol and Courthouse are in the process of being transferred freehold to Beaumaris Town Council.

The revaluation of these assets follows the Council's standard revaluation procedures for land and property. The Heritage Assets were last revalued in 2018/19, with those over £500k being revalued during 2019/20 as per the Council's revaluation procedures.

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

NOTE 18 – INVESTMENT PROPERTIES

a) Investment Properties

	2019/20 £'000	2018/19 £'000
Balance at start of the year	6,000	5,791
Additions:		
- Subsequent expenditure	-	-
Disposals	(105)	(142)
Net gains/(losses) from fair value adjustments	294	(1,518)
Transfers:		
- (to)/from Asset held for Sale	-	-
- (to)/from Property, Plant and Equipment	-	1,869
Balance at end of the year	6,189	6,000

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has one contractual obligation to construct and develop an industrial unit at Penrhos, Holyhead, as part of a joint venture with the Welsh Government.

b) Fair Value Measurement of Investment Properties

2019/20 Fair Value Hierarchy

Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (level 2)	Significant unobservable inputs (level 3)	Fair Value as at 31 March 2020
	£'000	£'000	£'000	£'000
Retail Properties	-	810	-	810
Office units	-	848	-	848
Commercial units	-	4,531	-	4,531
Total	-	6,189	-	6,189

2018/19 Fair Value Hierarchy

Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (level 2)	Significant unobservable inputs (level 3)	Fair Value as at 31 March 2019
	£'000	£'000	£'000	£'000
Retail Properties	-	820	-	820
Office units	-	658	-	658
Commercial units	-	4,522	-	4,522
Total	-	6,000	-	6,000

c) Valuation Approaches used in the Valuation of Investment Properties

Retail

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

Investment Properties

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

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

NOTE 18d – EXPENDITURE AND INCOME ON INVESTMENT PROPERTIES

Expenditure and Income on Investment Properties	2019/20 £000	2018/19 £000
Expenditure		
Repairs and Maintenance	54	43
Energy Costs	31	34
Rates	10	11
Cleaning and Domestic Supplies	6	4
Other premises costs	13	13
Supplies and Services	26	24
Expenditure	140	129
Income		
Fees and Charges	(5)	(6)
Rental income	(344)	(341)
Income	(349)	(347)
Net Expenditure/(Income)	(209)	(218)

NOTE 19 – INTANGIBLE ASSETS

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

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £169k charged to revenue in 2019/20 was charged to the IT Administration cost centre within the Transformation line of the Net Expenditure of Services.

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

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

	2019/20 £'000	2018/19 £'000
Balance at start of year:		
Gross carrying amounts	1,969	1,835
Accumulated amortisation	(1,268)	(1,079)
Net carrying amount at start of year	701	756
Additions	181	134
Derecognition	(310)	-
Amortisation for the financial year	(169)	(189)
Amortisation - Derecognition	98	-
Net carrying amount at end of year	501	701
Comprising:		
Gross carrying amounts	1,840	1,969
Accumulated amortisation	(1,339)	(1,268)
Net carrying amount at end of year	501	701

NOTE 20 - CAPITAL EXPENDITURE AND FINANCING

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

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

Capital Expenditure and Financing	2019/20 £'000	2018/19 £'000
Opening Capital Financing Requirement	138,662	136,866
Capital Invested in Year		
Property, Plant and Equipment	28,446	28,589
Intangible Assets	181	135
Heritage Assets	-	-
Revenue Expenditure Funded from Capital Under Statute (REFCUS)	1,388	1,954
Total	30,015	30,678
Source of Finance		
Capital receipts	(1,050)	(726)
Reserve	(224)	-
Government Grants and Contributions	(18,156)	(16,629)
Revenue Provisions	(7,609)	(6,357)
Loan	-	-
Insurance	-	-
REFCUS Grants	(1,263)	(1,928)
Minimum Revenue Provision and Set Aside	(3,471)	(3,242)
Total	(31,773)	(28,882)
Net Increase/(Decrease) in Capital Financing Requirement	(1,758)	1,796
Closing Capital Financing Requirement	136,904	138,662
Explanation of Movement in Year		
Increase in underlying need to borrow supported by Government assistance	817	402
Increase in underlying need to borrow unsupported by Government assistance	300	4,267
Loan	596	369
Minimum Revenue Provision and Voluntary Set Aside	(3,471)	(3,242)
Net Increase/(Decrease) in Capital Financing Requirement	(1,758)	1,796

NOTE 21 – ASSETS HELD FOR SALE

	Current		Non-Current	
	31 March 2020 £'000	31 March 2019 £'000	31 March 2020 £'000	31 March 2019 £'000
Balance outstanding at start of year	1,557	2,442	-	-
Assets newly classified as held for sale:				
Transferred from Property, Plant and Equipment during the year	270	-	-	-
Transfer to Property, Plant and Equipment	(108)	-	-	-
Transfer to Investment Property		-	-	-
Costs of Assets Sold	(956)	(864)	-	-
Revaluation	-	(21)	-	-
Balance outstanding at year-end	763	1,557	-	-

NOTE 22 – LEASES

Operating Leases

The Council had leased one property at 31 March 2020 for its homelessness function (five properties at 31 March 2019) and the lease rentals for the year totalled £0.028m (£0.052m in 2018/19).

The Council also holds certain items of plant and equipment under operating leases or rental agreements within schools and other Council departments. The charge to revenue for these items is £0.175m in 2019/20 (£0.097m in 2018/19).

During the year, the Council leased out one property on long-term lease, however, it was already taken off the Balance Sheet in 2005, with the creation of a new lease in 2019/20 to incorporate a name change. The Council also leased out a number of other assets on short-term leases which have, therefore, remained on the Council's Balance Sheet.

The Council currently has two vehicles leased until April and July 2020, after which a decision will then be made whether to purchase or return them to the supplier. Consequently, they are not on the Council's Balance Sheet but an annual charge of £10k is incurred for these vehicles.

As at 31st March 2020, the transfer of Beaumaris Gaol and Court and the leasing out of Melin Llynonn were not yet complete and, therefore, were still in the Council's ownership. It is likely that Melin Llynonn will be leased as an operating lease and will remain on the Balance Sheet. The Gaol and Court will be transferred to Beaumaris Town Council on a freehold basis and will be taken off the Balance Sheet. The transfer of these assets is expected to complete in early 2020/21.

NOTE 23 – INVENTORIES

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

	31 March 2020 £'000	31 March 2019 £'000
Salt Stock	137	120
Gofal Môn - Social Services Supplies	62	62
Other - Stationery and other consumables, fuel and goods held for resale	134	118
Total	333	300

NOTE 24 – DEBTORS

	31 March 2020 £'000	31 March 2019 £'000
Trade Receivables	3,131	4,761
Prepayments	1,342	901
Other Receivable Amounts	28,299	24,257
Total	32,772	29,919

The above debtors' figures are net of bad debt provisions totalling £5.767m in 2019/20 (£5.639m in 2018/19), which can be analysed as follows:-

	31 March 2020 £'000	31 March 2019 £'000	Movement in Year
Council Tax	1,839	1,699	140
NDR	513	561	(48)
Rents	544	472	72
Trade Debtors	1,368	1,347	21
Other	1,503	1,560	(57)
Total	5,767	5,639	128

NOTE 25 - CASH AND CASH EQUIVALENTS

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

	31 March 2020 £'000	31 March 2019 £'000
Cash and Bank balances	23,045	15,825
Bank Overdraft	-	-
Total	23,045	15,825

NOTE 26 – CREDITORS

	31 March 2020 £'000	31 March 2019 £'000
Trade Creditors	2,130	1,187
Other Payables	18,458	17,121
Total	20,588	18,308

NOTE 27 – PROVISIONS

	Balance at 1 April 2018 £'000	Increase in Provisions during year £'000	Utilised during year £'000	Balance at 31 March 2019 £'000	Increase in Provisions during year £'000	Utilised during year £'000	Balance at 31 March 2020 £'000
Insurance Claims Provision	265	354	(349)	270	345	(278)	337
Penhesgyn Waste Site	4,631	278	(104)	4,805	-	(39)	4,766
Caterlink Pension Provision	75	-	(75)	-	-	-	-
Home Carers Travel Provision	159	-	-	159	-	(119)	40
Supreme Court Judgement - Nursing Care	196	-	(196)	-	-	-	-
G & A Additional Learning Needs & Inclusion Service	-	-	-	-	37	-	37
Total	5,326	632	(724)	5,234	382	(436)	5,180
Short-Term Provisions	695	354	(620)	429	382	(397)	414
Long-Term Provisions	4,631	278	(104)	4,805	-	(39)	4,766
Total	5,326	632	(724)	5,234	382	(436)	5,180

Purpose of Main Provisions

Insurance Claims Provision

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

Penhesgyn Waste Site

The provision is for the aftercare of the areas of the site formerly used for landfill. There is no defined timescale for this work to be completed although, for management purposes, a time span of 30 years has been used on an ongoing basis until there is evidence that a shorter period would be sufficient. This funds annual decontamination works at Penhesgyn each year and provides for the risk of the culvert at the site collapsing.

Other Short-term Provisions created in 2019/20

One short-term provision was brought forward from 2018/19, and one new short-term provision was created during 2019/20, for liabilities the Council is likely to incur due to past events.

A provision of £159k held in relation to Home Carers' Travel was brought forward from 2018/19. The first wave of payments has been made and settled by the Council. The expected value of the settlements for the second wave of payments has been reviewed, and is expected to be in the region of £40k. Settlement for this liability was originally delayed and has taken longer than anticipated as a result of a settlement offer being rejected. Settlement is expected to be made within 12 months of the reporting date.

A provision of £37k has been created within 2019/20 as the Council is liable to contribute towards the central services costs of the Gwynedd and Anglesey Additional Learning Needs and Inclusion Service, a service that is hosted by Gwynedd Council. This is expected to be used in the short-term.

NOTE 28 – CASH FLOW FROM OPERATING ACTIVITIES

	2019/20 £'000	2018/19 £'000
Adjustment to surplus or deficit on the Provision of Services for non-cash movements		
Depreciation, Impairment and amortisation	13,648	13,195
Downward/(upwards) revaluations and non-sale derecognitions	10,408	9,623
(Increase)/Decrease in Inventories	(31)	85
(Increase)/Decrease in Debtors	(2,951)	(5,280)
Increase/(Decrease) in impairments for Bad Debts	(21)	96
Increase/(Decrease) in Creditors	2,278	(94)
Increase/(Decrease) in Capital Grants receipts in advance	(822)	(1,082)
Transactions within the CIES relating to retirement benefits	13,281	9,808
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	1,062	1,675
Contributions to/(from) Provisions	(54)	(92)
Movement in value of investment properties - Impairment and downward revaluations (and non-sale derecognitions)	(295)	1,518
Total	36,503	29,452
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		
Proceeds from the sale of Property, Plant and Equipment, investment property and assets held for sale	(1,195)	(1,592)
Capital grants included in "Taxation and non-specific grant income"	(18,156)	(16,629)
Total	(19,351)	(18,221)

NOTE 29 – CASH FLOW FROM INVESTING ACTIVITIES

	2019/20 £'000	2018/19 £'000
Purchase of Property, Plant and Equipment, Heritage Assets, Investment Properties and Intangible Assets	(28,627)	(28,724)
Short-term Investments (not considered to be cash equivalents)	-	-
Proceeds from the sale of Property, Plant and Equipment, investment property and assets held for sale	1,195	1,592
Capital Grants and Contributions Received	18,156	16,629
Net Cash flows from Investing Activities	(9,276)	(10,503)

NOTE 30 – CASH FLOW FROM FINANCING ACTIVITIES

NOTE 30a – CASH FLOW FROM FINANCING ACTIVITIES

	2019/20 £'000	2018/19 £'000
Cash Receipts from Short and Long-Term Borrowing	6,684	15,520
Cash movements on Houses into Homes agency schemes	2	220
Other	(193)	(270)
Net Cash flows from Financing Activities	6,493	15,470

NOTE 30b - RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITY

2019/20

Reconciliation of Liabilities Arising from Financing Activities	2019/20 1 April £'000	Financing Cash Flows £'000	Non-Cash Changes	2019/20 31 March £'000
Long-term borrowings	127,352	(2,928)	-	124,424
Short-term borrowings	7,535	9,612	(309)	16,838
Net Cash flows from Financing Activities	134,887	6,684	(309)	141,262

2018/19

Reconciliation of Liabilities Arising from Financing Activities	2018/19 1 April £'000	Financing Cash Flows £'000	Non-Cash Changes	2018/19 31 March £'000
Long-term borrowings	106,913	20,439	-	127,352
Short-term borrowings	12,413	(4,919)	41	7,535
Net Cash flows from Financing Activities	119,326	15,520	41	134,887

Note 30c - INTEREST RECEIVED AND PAID ON FINANCING ACTIVITIES

	2019/20 £'000	2018/19 £'000
Interest Received	(149)	(64)
Interest Paid	6,007	5,870

NOTE 31 – NATURE OF EXPENSES NOTE

NOTE 31a

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

	2019/20 £'000	2018/19 £'000
Expenditure		
Employee benefits	98,417	94,305
Other services	109,000	105,715
Depreciation, amortisation, impairment and revaluations	13,353	14,713
Interest payments	9,266	8,720
De-recognition and Impairment of Financial Assets	321	465
Precepts and levies	13,749	12,610
(Gain)/loss on the disposal of assets	9,356	9,518
Total Expenditure	253,462	246,046
Income		
Fees, charges and other service income	(31,621)	(30,801)
Interest and investment income	(316)	(300)
Income from council tax, non-domestic rates	(72,187)	(67,180)
Government grants and contributions	(142,189)	(139,603)
Total Income	(246,313)	(237,884)
(Surplus) or Deficit on the Provision of Services	7,149	8,162

NOTE 31b - REVENUE FROM CONTRACTS WITH SERVICE RECIPIENTS

Income from service recipients

Local authorities were required to implement a new financial standard, IFRS 15 Revenue from Contracts with Customers, from 1 April 2018. This applies to income from individuals or organisations who have contracted to receive a service or goods from the Council as part of the Authority's normal operating activities. The term 'Contracts' is interpreted widely to include most of the Council's fees, charges and rents where services/goods are provided for those fees, charges and rents. Contracts can be written, oral or implied by the Council's normal business practices. Statutory charges such as Council Tax, Non Domestic Rates (NDR) and fines are excluded from IFRS 15 and are not included in any of the information about income from service recipients. Grants and contributions are also excluded. The Council receives significant grants and contributions each year. Note 37 provides details of grants and contributions received by the Council for 2019/20 and 2018/19.

Table 31b.1 below summarises the income received from service recipients in accordance with IFRS 15:-

Revenue From Contracts with Service Recipients	2019/20	2018/19
	£'000	£'000
Revenue From Contracts with Service Recipients	(31,621)	(30,597)
Impairment of receivables or contract assets	(2)	290
Total included in Comprehensive Income and Expenditure Statement	(31,623)	(30,307)

Table 31b.2 - Amounts included in the Balance Sheet for Amounts owed for Contracts with Service Recipients:-

Amounts included in the Balance Sheet for Contracts with Service Recipients	2019/20	2018/19
	£'000	£'000
Receivables, which are included in debtors (Note 24)	6,078	5,981
Contract Assets	-	-
Contract Liabilities	-	-
Total included in Net Assets	6,078	5,981

Most transactions the Council enters into with service recipients are straightforward. All transaction prices are based on the Council's Fees and Charges booklet which has been approved by the Executive and which are outlined on the Council's website at the following link/web address <https://www.anglesey.gov.uk/en/Council/Council-finances/Council-fees-and-charges.aspx> Service recipients, typically, are given 14 days to pay the Council fees and charges owed. This excludes fees and charges payable at the point of provision of the goods/services.

Contracts can relate to the financial year from 1 April 2019 to 31 March 2020. Any income not received by the end of March is accrued to match with the services provided. Some income is received at the same time as the service/good is provided, for example, sale of gifts in the Oriel shop, admission for a swimming session at the Leisure Centres. One of the most complex income types relates to fees and charges for complex Adult Social Care placements. These charges can be deferred until income is available from sale of property. The Adult Services does recognise this income each financial year, despite it being deferred to match with the period when the care is provided.

NOTE 32 – TRADING OPERATIONS

Part 3.4.6.2 of the Cipfa Code 2019/20 removed the need to disclose trading operations in English, Northern Irish and Welsh Authorities from 2019/20 onwards.

NOTE 33 - MEMBERS' ALLOWANCES

A total of £0.700m (£0.686m in 2018/19) was paid in respect of allowances to Council Members during the year as follows:-

	2019/20 £'000	2018/19 £'000
Basic and Special responsibility allowances	582	569
Chairman and Deputy Chairman's Allowance	12	6
Pension Costs	48	45
National Insurance Costs	46	45
Travel Costs	6	8
Subsistence	1	2
Miscellaneous	5	11
Total	700	686

In addition, the Council spent £24,025 on expenses for lay members (£21,853 in 2018/19).

NOTE 34 – OFFICERS' REMUNERATION

The number of employees whose actual remuneration paid was more than £60k but not more than £150k in 2019/20, excluding pension contributions but including severance pay, is as follows:

Officer Remuneration	Non-Schools 2019/20 Number of Employees	Non-Schools 2018/19 Number of Employees	Schools 2019/20 Number of Employees	Schools 2018/19 Number of Employees
£60,000 to £64,999	1	-	3	5
£65,000 to £69,999	1	-	3	3
£70,000 to £74,999	1	2	1	3
£75,000 to £79,999	4	4	1	-
£80,000 to £84,999	-	1	1	2
£85,000 to £89,999	2	2	1	1
£90,000 to £94,999	-	-	-	-
£95,000 to £99,999	-	-	-	-
£100,000 to £104,999	-	-	-	-
£105,000 to £109,999	1	-	-	-
£110,000 to £114,999	-	-	-	-
£115,000 to £119,999	-	1	-	-
£120,000 to £124,999	-	-	1	-
Total	10	10	11	14

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

Senior Officer Remuneration 2019/20	Salary, Fees and Allowances £'000	Expenses Allowances £'000	Compensation for loss of Office £'000	Pension Contribution £'000	Total £'000
Chief Executive *	59	-	-	11	70
Chief Executive **	59	-	-	11	70
Deputy Chief Executive ***	40	-	-	7	47
Assistant Chief Executive ***	47	-	-	9	56
Director of Function (Council Business) / Monitoring Officer	78	-	-	15	93
Director of Function (Resources) & S151	87	1	-	16	104
Director of Social Services	87	1	-	16	104
Director of Education, Skills and Young People	50	-	-	9	59
Director of Place & Community Wellbeing	49	1	-	9	59
Head of Service: HR & Transformation	76	1	-	14	91
Head of Service: Housing	75	1	-	14	90
Head of Regulation and Economic Development	15	1	-	3	19
Head of Lifelong Learning	32	1	-	6	39
Head of Service: Children & Families	78	1	-	15	94
Head of Service: Highways, Waste & Property	74	1	-	14	89
Total	906	9	-	169	1,084

* Note: Chief Executive in post since 1/10/19. Returning Officer element of Chief Executive salary is £2,224 and is not included in the figures above.

** Note: Chief Executive left post on 30/9/19. Returning Officer element of Chief Executive salary is £2,224 and is not included in the figures above.

*** Note: Assistant Chief Executive left post on 30/09/2019 and Deputy Chief Executive commenced on 04/11/2019.

Comparative figures for 2018/19 are shown in the following table:-

Senior Officer Remuneration 2018/19	Salary, Fees and Allowances £'000	Expenses Allowances £'000	Compensation for loss of Office £'000	Pension Contribution £'000	Total £'000
Chief Executive *	116	1	-	21	138
Assistant Chief Executive	88	1	-	17	106
Assistant Chief Executive	80	2	-	15	97
Head of Council Business	77	-	-	14	91
Head of Resources and Section 151 Officer	84	1	-	16	101
Head of Profession HR	71	-	-	13	84
Head of Housing	63	1	-	12	76
Head of Regulation and Economic Development	75	-	-	14	89
Head of Lifelong Learning	73	-	-	14	87
Head of Children's Services	76	1	-	14	91
Head of Adult Services	77	-	-	14	91
Head of Highways, Property and Waste	64	1	-	12	77
Head of Corporate Transformation	-	-	-	-	-
Chief Planning Officer - Energy Island	-	-	-	-	-
Total	944	8	-	176	1,128

*

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

The remuneration ratio of the Chief Executive to the median remuneration of all employees during 2019/20 is 6.24:1 (6.35:1 in 2018/19). The median salary for all employees is £18,809.66. This is the salary at the mid-point of all employees' salaries, from lowest to highest.

NOTE 35 - TERMINATION PAYMENTS

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

Exit Cost Band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages	
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20 £'000	2018/19 £'000
£0 - £20,000	38	36	29	19	67	55	315	342
£20,001 - £40,000	1	5	5	8	6	13	175	343
£40,001 - £60,000	-	-	-	3	-	3	-	141
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £250,000	-	-	-	-	-	-	-	-
Total	39	41	34	30	73	71	490	826

NOTE 36 – EXTERNAL AUDIT FEES

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

	2019/20 £'000	2018/19 £'000
Fees payable to Wales Audit Office with regard to external audit services carried out by the appointed auditor for the year	192	192
Fees payable to Wales Audit Office with regard to external audit services carried out by the appointed auditor for prior years	-	-
Fees payable to Wales Audit Office in respect of statutory inspections	100	100
Fees payable to Wales Audit Office for the certification of grant claims and returns for the year	135	135
Total	427	427

NOTE 37 – GRANTS INCOME

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2019/20 and 2018/19 as follows:-

	Note	2019/20 £'000	2018/19 £'000
Credited to Taxation and Non-Specific Grant Income			
Revenue Support Grant (Non-ring-fenced Government Grants)	14	73,037	73,238
Capital Grants and Contributions	14	13,954	13,958
Grant - HRA (Capital Grants and Contributions)	14	4,202	2,671
Other (Non-ring-fenced Government Grants)	14	-	-
Total		91,193	89,867
Credited to Services			
Grants:			
Post-16 Grant (Education)		2,320	2,356
Flying Start (Education)		1,410	1,419
Foundation Phase Grants (Education)		-	-
Education Improvement Grant (Education)		2,847	2,751
Pupil Development Grant (Education)		1,685	1,687
Concessionary Fares Grant		728	722
Housing Benefit Subsidy		16,774	18,370
Supporting People Grant (SPG & SPRG)		2,644	2,708
Environment and Sustainable Development Grant		691	479
Total		29,099	30,492
Other Grants:			
Lifelong Learning		4,760	3,256
Adult Services		1,008	585
Children's Services		897	900
Housing		1,330	1,146
Highways, Property and Waste		1,922	1,460
Economic Development and Regulatory		2,609	1,094
Corporate Transformation		222	220
Resources		600	578
Council Business		10	11
Corporate and Democratic Costs		10	100
Corporate Finance		-	-
Housing Revenue Account		13	88
Total		13,381	9,438
Contributions:			
		8,515	9,809
Total		142,188	139,606

Capital Grants Received in Advance

The following capital grants were received in advance and have not been applied to the Comprehensive Income and Expenditure Statement:-

Capital Grants and Contributions Received in Advance	2019/20 £'000
Welsh Government Capital Grants and Contributions Received in Advance:	
TMF Grant	124
Welsh Government contribution to Construction of Penrhos Industrial Units, Holyhead	713
21st Century Schools	388
Affordable Housing Scheme	155
Childcare small grant scheme	52
Local Transport Fund	87
Contaminated Land	35
Small Grant Scheme	100
Area of Outstanding Natural Beauty Grant	100
Community Disabled Hub Grant	10
Capital Grants and Contributions Received in Advance from other Organisations:	
Holyhead Gateway Reclamation	139
Sports Council for Wales	5
Market hall HLF	54
Section 106 Commuted Sum Herb Garden	12
Young People - Housing Regeneration Investment Wales	19
Total	1,993

Capital Grants and Contributions Received in Advance	2018/19 £'000
Welsh Government Capital Grants and Contributions Received in Advance:	
TMF Grant	124
MALD Grant - Market Hall	152
Welsh Government contribution to Construction of Penrhos Industrial Units, Holyhead	1,511
21st Century Schools	402
Affordable Housing Scheme	155
Childcare small grant scheme	165
Capital Grants and Contributions Received in Advance from other Organisations:	
Holyhead Gateway Reclamation	306
Total	2,815

NOTE 38 – RELATED PARTIES

The Council is required to disclose information in relation to the Authority's transactions and outstanding balances with its related parties. The materiality of individual transactions arising through related parties and the following disclosures are concerned with transactions between the Council and its related parties.

Members

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

During 2019/20, a total of £3.087m was paid in grants for the purchase of services from these bodies (£2.891m in 2018/19). A summary of the individual organisations (where not disclosed elsewhere) which have transactions with the Council in excess of £0.02m: -

2019/20

Related Party	Relationship	Payments Made £'000	Amount owed by the Council £'000	Amounts owing to the Council £'000
Grwp Llandrillo Menai	Member appointed by the Council to be a representative	242	2	4
Medrwn Môn	Member appointed by the Council to be a representative	221	-	-
University Of Wales - Bangor	Member appointed by the Council to be a representative	70	-	2
Ynys Môn C A B Ltd	Member appointed by the Council to be a representative	107	-	-
		640	2	6

2018/19

Related Party	Relationship	Payments Made £'000	Amount owed by the Council £'000	Amounts owing to the Council £'000
Grwp Llandrillo Menai	Member appointed by the Council to be a representative	282	-	10
Medrwn Môn	Member appointed by the Council to be a representative	123	-	-
University Of Wales - Bangor	Member appointed by the Council to be a representative	32	36	19
Ynys Môn C A B Ltd	Member appointed by the Council to be a representative	93	-	-
		530	36	29

The Council is a member of the Welsh Local Government Association, to which subscriptions of £0.096m were paid in 2019/20 (£0.097m in 2018/19).

Members have declared interests in contracts or in organisations which may have dealings with the Council in the Statutory Register of Members' Interests. A total of £0.838m was paid by the Council in 2019/20 in relation to these interests (£0.686m in 2018/19).

Senior Officers

Senior Officers are required to complete a personal declaration of interest, stating any interests they may hold with any organisation which may receive payments from the Council. No material related party transaction occurred in relation to senior officers in 2019/20.

Government

Betsi Cadwalader University Health Board, through common control by central Government, is a related party to the Council. Payments made by the Council for 2019/20 to BCUHB amounted to £1.162m (£1.160m in 2018/19) and £0.348m was owing at year-end. Receipts taken in by the Council from BCUHB came to £4.410m (£2.077m in 2018/19), with £1.632m due from our related party at year-end.

INTERESTS IN COMPANIES

The Council has an interest in the following company, where the other member is Gwynedd Council, but it does not have significant influence over the company:-

Cwmni Cynnal Cyf

This company was established jointly by the Isle of Anglesey and Gwynedd County Councils on local government reorganisation. It provides education support services under contract to maintained schools and to the local education authorities and schools inspection services to Estyn. The income of the company can only be applied towards the promotion of its objectives. The company is limited by guarantee, not having a share capital, and the Council's liability is limited to £1.

The company accounts for 2018/19 show a net loss of £0.175m (£0.148m loss 2017/18). The turnover for 2018/19 was £2.188m (£2.396m 2017/18). The company's published accounts show net liabilities of £0.782m as at 31 March 2019 (net liabilities were £0.131m at 31 March 2018).

Copies of the financial statements are available from Cwmni Cynnal Cyf, Plas Llanwnda, Caernarfon, Gwynedd. The auditor's report on the accounts for the financial year ended 31 March 2019 is not qualified. During the 2019/20 financial year, the Council accounted for costs of £0.625m (£0.583m in 2018/19) relating to the purchase of services from the company.

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

The Council also has interests in the following companies:-

Welsh Joint Education Committee - WJEC CBAC Limited

The Council is a member of WJEC CBAC Limited, a charitable company whose members are the 22 Welsh unitary authorities and whose objectives are to provide examination services and to provide and promote other educational and cultural services. The company is limited by guarantee, not having a share capital, and the Council's liability is limited to £1.

During the 2019/20 financial year, the Council accounted for £0.402m (£0.377m 2018/19) for purchase of services from the company.

The company accounts for 2017/18 (that is to year ended 30 September) show a net positive movement in funds of £7.774m (net positive movement in funds of £20.390m 2016/17). The turnover for 2017/18 was £45.114m (£44.977m 2016/17) and net assets amounted to £47.232m as at 30 September 2018 (£39.458m as at 30 September 2017).

Copies of the company's accounts can be obtained from WJEC CBAC Limited, 245 Western Avenue, Llandaff, Cardiff, CF5 2YX. The auditor's report for the financial year ended 30 September 2018 is not qualified.

Menter Môn Cyfyngedig

The Council is a member of Menter Môn Cyf, and was one out of a total of three members at 31 March 2020. The company's objectives are to promote economic growth in rural Anglesey. The company is limited by guarantee, not having a share capital, and the Council's liability is limited to £1.

During the 2019/20 financial year, the Council made payments of £0.100m to the company in support of the activities (£0.124m 2018/19).

The company accounts for the financial year ended 31 December 2018 shows net loss of £0.146m (net profit before tax of £0.083m in 2017). The turnover for 2018 was £5.050m (£2.674m in 2017) and net assets amounted to £0.206m as at 31 December 2018 (net assets of £0.176m in 2017).

Copies of the company's accounts can be obtained from Menter Môn, Llangefni Town Hall, Buckley Square, Llangefni, Anglesey, LL77 7LR. The auditor's report on the accounts for the financial year ended 31 December 2018 is not qualified.

Caergeiliog Foundation School

Balances for current assets and liabilities controlled by Caergeiliog Foundation School are included in these accounts and so the school's reserves, as stated in this Balance Sheet, represent only the net current assets. The school also has non-current assets that are stated on the school's Balance Sheet at £0.725m at 31 March 2020 (£0.785m at 31 March 2019), on a combination of valuation and historical cost, less depreciation. The non-current assets are vested in the school's Governing Body and are not consolidated in this Council's Balance Sheet.

NOTE 39 - TRUST FUNDS

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

During 2019/20, the Head of Function (Resources) / Section 151 Officer had financial responsibility for a number of charities. Although their financial administration is integrated with that of the Council, the charities are legally separate from it and separate financial statements are produced, which are in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting by Charities, published by the Charity Commissioners. The charities are managed and expenditure is approved in accordance with criteria set out in the governing document of each one:-

The Isle of Anglesey Charitable Trust (Reg. No. 1000818 and 1174536)

In previous years, the Council has been the sole trustee of the Isle of Anglesey Charitable Trust, which was established to administer investments purchased from monies received from Shell U.K. Limited when the company ceased operating an oil terminal on Anglesey. During 2019/20, the Trust established a Charitable Incorporated Organisation, which will be known as the “The Isle of Anglesey Charitable Association”. The new Organisation is a separate legal entity with the same charitable purposes as the Isle of Anglesey Charitable Trust. The existing assets and liabilities of the Isle of Anglesey Charitable Trust have been transferred to the new entity from 1 October 2019 following a formal resolution by the Trustees on 24 September 2019. Financial information of the Isle of Anglesey Charitable Trust and the Isle of Anglesey Charitable Association are shown separately in the table below.

The objectives of the Charitable Trust are to provide amenities and facilities for the general public benefit of persons resident in the Isle of Anglesey. This is achieved by contributing towards spending on public services and by making grants to charitable and voluntary organisations.

In 2019/20, the Council received £0.215m (£0.215m in 2018/19) from the Trust towards the running costs of Oriel Ynys Môn.

Welsh Church Fund

Previously, investments of this fund were administered by Gwynedd Council on behalf of the successor authorities of Gwynedd County Council but, from 2019/20, Anglesey’s share of the Welsh Church Fund has been transferred to the Isle of Anglesey County Council to administer.

Anglesey Further Education Trust Fund (Reg. No. 525254)

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

On 31 March 2020, the estimated balances of these Trust funds (at market value of the assets) are:-

Pre Audited Statement Summary	2019/20 Income £'000	2019/20 Expenditure £'000	2019/20 Assets £'000	2019/20 Liabilities £'000
Isle of Anglesey Charitable Trust	420	503	22,381	1,036
The Isle of Anglesey Charitable Association	269	292	19,350	822
Welsh Church Fund	514	9	573	21
Anglesey Further Education Trust Fund	136	186	3,203	15

Audited Statement Summary	2018/19 Income £'000	2018/19 Expenditure £'000	2018/19 Assets £'000	2018/19 Liabilities £'000
Isle of Anglesey Charitable Trust	592	995	21,728	610
Welsh Church Fund	7	8	900	31
Anglesey Further Education Trust Fund	288	118	3,257	16

The total value of the other funds, including investments at market value, is £0.106m as at 31 March 2020 (£0.102m as at 31 March 2019).

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

NOTE 40 – TEACHERS’ PENSION SCHEME

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

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

In 2019/20, the Council paid £4.612m to Teachers’ Pensions in respect of teachers’ retirement benefits, representing 20.05% of pensionable pay (£3.712m and 15.95% in 2018/19). The Employers Teachers’ Pension Contributions increased to 23.6% from September 2019.

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

NOTE 41 – LOCAL GOVERNMENT DEFINED BENEFIT PENSION SCHEME

Retirement Benefits

Participation in the Local Government Pension Scheme

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

There is the risk that the Council’s contribution might increase following a revised valuation if the value of the fund’s investments decrease such as currently with the impact of the coronavirus. The latest pension valuation was completed as at 31 March 2019. This led to a net reduction in employer’s contributions for the period 2020 to 2023 due to reduced historic pensions costs. However, if the fund’s investments continue to perform poorly then an interim

valuation is likely to be carried out within the year. The combination of the impact of the coronavirus and full implementation of Brexit are likely to put pressure on the economy and investment markets. This would result in increased pension contributions for the Council and other member organisations in the Pension Fund as over the valuation period the pension fund should be fully funded. In the longer-term the impact of short-term/medium-term shocks should be resolved and it is expected that pension investments should recover in the long-term.

The Council acts as guarantor for the organisation Caterlink which provides school meals in Anglesey's schools. If Caterlink becomes insolvent, is wound up or liquidated the Council will pay Caterlink's pensions contributions. This is because Council catering staff transferred to Caterlink under TUPE rules when the service was externalised. In addition, if the employer's contribution rate rises above a certain level under the terms of the contract, the Council is obliged to refund Caterlink that additional cost.

a) Transactions Relating to Post-Employment Benefits

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

	2019/20 £'000	2018/19 £'000
Service cost comprising:		
Current service cost	18,117	15,191
Losses on settlements or curtailments	418	134
Total Service cost	18,535	15,325
Financing and Investment Income and Expenditure		
Interest cost on defined benefit obligation	10,787	10,638
Interest Income on scheme Assets	(7,527)	(7,788)
Total Post-employment benefits charged to the Surplus or Deficit on Provision of Service	21,795	18,175
Return on Plan Assets (excluding amounts included in net interest expense)	46,482	(15,916)
Actuarial losses / (gains) arising on changes in demographic assumptions	(15,239)	-
Actuarial losses / (gains) arising on changes in financial assumptions	(37,219)	34,236
Other	(13,515)	414
Total re-measurement of net defined benefit liability	(19,491)	18,734
Total Post-employment benefits charged to the Comprehensive Income and Expenditure Statement	2,304	36,909
Reversal of net charges made for retirement benefits in accordance with the code	13,281	9,808
Actual amount charged against the Council Fund balance for pensions in the year:		
Employers' contributions payable to scheme	8,514	8,367
Total Post-employment benefits charged to the Surplus or Deficit on Provision of Service	21,795	18,175

b) Pension Assets and Liabilities recognised in the Balance Sheet

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates being based on the latest full valuation of the Scheme as at 31 March 2019.

Amounts included in the Balance Sheet arising from the Authority's obligation in respect of its defined benefit plan are as follows:	31 March 2020 £'000	31 March 2019 £'000
Present Value of Scheme Assets	274,492	312,536
Present Value of Scheme Liabilities	(399,012)	(443,266)
Net liability arising from defined obligation	(124,520)	(130,730)

Reconciliation of Present Value of the Scheme Liabilities

	2019/20 £'000	2018/19 £'000
Balance as at 1 April	443,266	390,612
Current service cost	18,117	15,191
Interest cost	10,787	10,638
Contributions from scheme participants	2,511	2,418
Remeasurement losses / (gains)	(65,973)	34,650
Past service costs	418	134
Estimated unfunded benefits paid	(1,009)	(996)
Estimated benefits paid	(9,105)	(9,381)
Balance as at 31 March	399,012	443,266

Reconciliation of Present Value of the Scheme Assets

	2019/20 £'000	2018/19 £'000
Opening Fair Value of Scheme Assets as at 1 April	312,536	288,424
Interest Income	7,527	7,788
Return on plan assets (excl. net interest expense)	(46,482)	15,916
Contributions by members	2,511	2,418
Contributions by employer	7,505	7,371
Contributions in respect of unfunded benefits	1,009	996
Unfunded benefits paid	(1,009)	(996)
Benefits paid	(9,105)	(9,381)
Balance as at 31 March	274,492	312,536

c) Fair Value of Scheme Assets

The Coronavirus (COVID-19) pandemic has impacted global financial and property markets. As a result of the volatility in market conditions, year-end valuation reports provided to the Gwynedd Pension Fund include a statement that there is a material valuation uncertainty related to the UK property funds managed on behalf of the Fund. The total value of the UK property funds as at 31st March 2020 is £191m of which, £27.055m is attributable to the Isle of Anglesey County Council.

The table below shows a difference between 2018/19 and 2019/20 in the categorisation of equities and other investments between the Prices Quoted in Active Markets and Prices Not quoted in Active Markets. The Pension fund managers have since 2018/19 started to move investments from those quoted in active markets to two global pooled funds in the Wales Pensions Partnership (WPP). These investments are shown within Investment Funds and Unit Trusts which are not quoted in open markets.

More information about the Gwynedd Pension Fund in its entirety is available on the following link: <https://www.gwyneddpensionfund.org.uk/en/Home.aspx>

The Council's share of the Pension Scheme assets comprise:-

	2019/20 Prices Quoted in Active Markets £'000	2019/20 Prices not quoted in Active Markets £'000	2018/19 Prices Quoted in Active Markets £'000	2018/19 Prices not quoted in Active Markets £'000
Cash and cash equivalents	1,360	-	8,039	-
Equity investment (by industry type)				
Consumer	-	-	7,778	-
Manufacturing	-	-	9,356	-
Financial Institutions	-	-	3,648	-
Energy and utilities	-	-	-	-
Health and care	-	-	19,983	-
Information technology	-	-	5,467	-
Other	-	-	10,612	-
Debt Securities - Other	-	-	-	45,414
Private Equity	-	15,956	-	16,966
Investment Funds and Unit Trusts				
Equities	-	184,082	60,808	89,570
Infrastructure	-	6,312	-	6,153
Other	-	39,695	-	-
Real Estate				
UK Property	-	27,055	9,938	18,638
Overseas property	-	32	-	166
Total Value - All Assets	1,360	273,132	135,629	176,907
Total Value of Active and Non-Active Assets		274,492		312,536

Major categories of plan assets as percentage of total plan assets

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

	31 March 2020	31 March 2019
Cash and cash equivalents	0%	3%
Equity investment (by industry type)		
Consumer	0%	3%
Manufacturing	0%	3%
Financial institutions	0%	1%
Energy and utilities	0%	0%
Health and care	0%	6%
Information technology	0%	2%
Other	0%	3%
Debt Securities - Other	0%	15%
Private equity	6%	5%
Investment Funds and Unit Trusts		
Equities	67%	48%
Infrastructure	2%	2%
Other	15%	0%
Real Estate		
UK Property	10%	9%
Overseas property	0%	0%
Total	100%	100%

ch) Scheme History

Analysis of scheme assets and liabilities:-

	31 March 2020 £'000	31 March 2019 £'000	31 March 2018 £'000	31 March 2017 £'000	31 March 2016 £'000
Fair Value of Assets in pension scheme	274,492	312,536	288,424	275,083	231,770
Present Value of Defined Benefit Obligation	(399,012)	(443,266)	(390,612)	(380,591)	(326,792)
(Deficit)/Asset in the Scheme	(124,520)	(130,730)	(102,188)	(105,508)	(95,022)

The liabilities show the underlying commitments that the Council has in the long run to pay retirement benefits. The present value of defined benefit obligations of £399.012m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, resulting in a net liability of £124.520m.

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

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

	2019/20	2018/19
Mortality assumptions:		
<i>Longevity at 65 current pensioners:</i>		
Men	21.3 years	22.0 years
Women	23.4 years	24.2 years
<i>Longevity at 65 for future pensioners:</i>		
Men	22.2 years	24.0 years
Women	25.1 years	26.4 years
Inflation/Pension Increase Rate	1.90%	2.50%
Salary Increase Rate	2.20%	2.50%
Expected Return on Assets	-7.30%	8.20%
Rate for discounting scheme liabilities	2.30%	2.40%
Take-up of option to convert annual pension into retirement lump sum:		
Service to April 2008	50.00%	50.00%
Service post April 2008	75.00%	75.00%

dd) Sensitivity Analysis

The sensitivity analysis below is based on reasonably possible changes to the assumptions occurring at the end of the reporting period. It assumes for each change in assumption that all the other assumptions remain constant. The sensitivity analysis shows that the impact of a 0.5% decrease in the real discount rate due to potential market changes could increase the fund's liabilities by £40.275m as a higher value is placed on benefits paid in the future. A 0.5% increase in the salary increase rate, could increase the fund's costs by £4.845m. A 0.5% increase in the pensions' rate could increase liabilities by £35.031m. The estimations in the sensitivity analysis have been calculated in accordance with professional actuarial assumptions, IAS 19 and FRS 102. This means that the use of the 0.5% assumptions below were selected by the specialist actuary in accordance with his/her professional judgement. The Actuary would have taken into account current and past information. Information about people's lifespans and demographic information would have also influenced this.

Change in assumptions as at 31 March 2020	Approximate % increase to employer	Approximate Monetary Amount £'000
0.5% decrease in real discount rate	10%	40,275
0.5% increase in the salary increase rate	1%	4,845
0.5% increase in pension increase rate	9%	35,031

e) Impact on the Authority's Cash Flows

The objective of the scheme is to keep employers' contributions at as constant a rate as possible. The Council has a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed by 31 March 2022.

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

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

The liabilities show underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits. The net liability of £124.520m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy.

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

f) Estimated contributions to be paid to Gwynedd Pension Fund in 2019/20

The Council anticipates paying £8.498m contributions to the scheme in 2020/21.

The amount outstanding to Gwynedd Council in respect of the LGPS contributions for 2019/20 as at 31 March 2020 is £0.829m and is included in the short-term creditors' disclosure note.

NOTE 42 – CONTINGENT LIABILITIES

Section 117 Mental Health Act 1983

Following judgements confirmed at the House of Lords and a report by the Local Government Ombudsman on test cases elsewhere, there was no power to charge for services provided under Section 117 of the Mental Health Act 1983 and the Council is liable to repay any such charges. Whilst a number of cases have been settled historically, the total potential liability is difficult to quantify.

Risk of Costs arising from the Schools' Rationalisation Programme

Following the closure of some of the Island's schools and subsequent rationalisation of staff, the Authority may be liable to pay any tribunal costs that may arise from future appeals. The Authority is unable to predict the timing, outcome or costs of any tribunal at this time.

NOTE 43 – CONTINGENT ASSETS

Legal Charges

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

NOTE 44 – FINANCIAL INSTRUMENTS

2018/19 was the first year local authorities were required to implement a new Financial Standard called IFRS 9 Financial Instruments. This introduced new classifications and accounting requirements for these instruments. Financial instruments are contractual agreements between two or more parties regarding a right to payment of money. One party would have a financial asset where money or another financial asset is given to the other party, in exchange for the agreed return of the money or financial instrument, often with interest or a favorable return on the investment. The transaction would be a financial liability for the other party or parties. This would be the agreement to repay the money at the contracted time and for the agreed return. For example, the Council's main financial assets are its investments in bank deposits. Table 44b shows that Council had financial assets of £14.208m in bank deposit accounts. In exchange for these, the Council will have the money returned when requested and will also earn interest at a fixed rate for the duration of the investments. These transactions are financial liabilities for the UK banks the Council has deposits with, as the money will be repaid to the Council. The cost of this liability to the banks is the interest it pays to the Council. Examples of financial assets are cash, bank deposits, trade receivables (debtors), equities, bonds and derivatives. Examples of financial liabilities are borrowings, trade payables (creditors) and any contractual obligation to deliver cash or financial assets to another entity.

Financial Assets

Note 44a shows the different categories of financial assets required by IFRS 9 and the value of the Council's financial assets at 31 March 2020. It also provides the value of non-financial assets, which includes the value of Land and Property and other assets. The Council can only enter into financial assets and liabilities in accordance with the Council's Treasury Management Strategy Statement. The Strategy specifies strict criteria, therefore the Council can only invest in financial assets which are highly secure and which can be accessed when the Council needs the cash. Most investments are deposits in UK banks which meet the Council's credit rating criteria, or loans to other local authorities. These all fall under the IFRS 9 classification of Financial Assets measured at Amortised cost as highlighted by Note 44a. Measurement by Amortised cost starts with the initial acquisition amount and is then reduced (impaired) for any expected credit losses. If the Council held more complex financial assets, such as equities or money market instruments, these would be measured at fair value and classified as one the differing fair value categories as relevant.

NOTE 44a – SUMMARY OF CATEGORIES OF FINANCIAL ASSETS HELD BY THE COUNCIL

Financial Assets	Non-Current			
	Investments		Debtors	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Fair value through profit or loss	-	-	-	-
Amortised Cost	23,045	15,825	6,078	5,981
Fair value through other comprehensive income - designated equity instruments	-	-	-	-
Fair value through other comprehensive income - other	-	-	-	-
Total Financial Assets	23,045	15,825	6,078	5,981
Non-financial assets	426,011	408,687	26,694	24,004
Total	449,056	424,512	32,772	29,985

Note 44b provides a more detailed breakdown of the Council's financial assets. The table shows the carrying amount of the financial assets. This is the value of the financial assets in the Balance Sheet based on amortised cost. The fair value is also provided; this is a more current value which would be the price to sell the financial assets on 31 March 2020. This was calculated by Link Asset Services. The valuation was based on a comparison of the deposits with a comparable investment with the same/similar lender. The financial assets are split between investments and debtors. The fair value of the Council investments is only £11k different to the Balance Sheet value. The investments are the cash deposits in UK banks and a minor amount in cash. The other cash and cash equivalents relate to the amounts held for operational banking and payment of day-to-day costs. The Council also lent £6m in short-term loans to other local authorities. The amounts held as cash and cash equivalents in UK bank deposit accounts are surplus to the day-to-day needs but which will be required in the future. These earn interest for the period invested. The other category of financial assets is debtors. These relate to organisations or individuals who owe the Council money. The most significant are trade debtors and other debtors which relate to amounts due for services received. Employee loans are also shown; these are soft loans which mainly relate to car loans for members of staff who travel more extensively on Council business. The loans were provided at lower than market value rate due to the need for work-related travel. Debtors exclude transactions with government departments, and income and payments arising from taxation, including Council Tax and business rates.

NOTE 44b – DETAILS OF TYPES OF FINANCIAL ASSET HELD BY THE COUNCIL

Financial Assets	Short-term				Long-term				Total			
	31/03/2020		31/03/2019		31/03/2020		31/03/2019		31/03/20		31/03/19	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Financial assets held at amortised cost												
Cash and cash equivalents												
Cash and cash equivalents - deposits	14,208	14,212	14,333	14,336	-	-	-	-	14,208	14,212	14,333	14,336
Other Cash and cash equivalents	2,837	2,837	1,492	1,492	-	-	-	-	2,837	2,837	1,492	1,492
Loans to other Local Authorities	6,000	6,007	-	-					6,000	6,007	-	-
Total	23,045	23,056	15,825	15,828	-	-	-	-	23,045	23,056	15,825	15,828
Debtors												
Rents	460	460	394	394	-	-	-	-	460	460	394	394
Employee loans	197	197	181	181	152	152	187	187	349	349	368	368
Trade Debtors	3,131	3,131	2,062	2,062	-	-	-	-	3,131	3,131	2,062	2,062
Other Debtors	2,138	2,138	3,078	3,078			79	79	2,138	2,138	3,157	3,157
Total	5,926	5,926	5,715	5,715	152	152	266	266	6,078	6,078	5,981	5,981
Total Financial Assets	28,971	28,982	21,540	21,543	152	152	266	266	29,123	29,134	21,806	21,809

Financial Liabilities

All of the Council's Financial Liabilities are classified as Financial Liabilities at Amortised Cost. This is shown in Note 44c. The note shows the value of non-financial liabilities. The non-financial liabilities at 31 March 2020 includes the Pension Fund Liability of £124.520m.

NOTE 44c – SUMMARY OF CATEGORIES OF FINANCIAL LIABILITIES HELD BY THE COUNCIL

Financial Liabilities	Non-Current			
	Borrowings		Creditors	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£'000	£'000	£'000	£'000
Fair value through profit or loss	-	-	-	-
Amortised Cost	141,261	134,887	13,926	12,286
Total Financial Liabilities	141,261	134,887	13,926	12,286
Non-financial Liabilities	-	-	138,355	144,868
Total	141,261	134,887	152,281	157,154

Note 44ch below details the types of financial liabilities held by the Council. The Council's borrowing liabilities amounted to £141.262m at 31 March 2020. This is the borrowing taken out over the years to fund capital expenditure on the construction of or refurbishment of Council assets. The short-term loans are the amounts due to be repaid by 31 March 2021. The long-term loans are due to be paid in more than one year's time. A summary of the Council's loans portfolio and maturity profile is provided in Note 45c. The main provider of loans to the Council is the Public Works Loans Board (PWLB) which is part of Central Government's Treasury Department. The Council has also borrowed from Welsh Government and Salix, at 0% interest which was used to fund energy efficient LED lighting. The remaining financial liabilities relate to creditors which are the individuals and/or organisations to which the Council owes money for goods and services provided in 2019/20 or earlier. These are the invoices which are sent to the Council after the end of the financial year or where payment is due beyond 31 March 2020.

The fair value of the Council's borrowing was calculated by the Council's Treasury Management consultants, Link Asset Services. The total fair value on the Council's borrowing was £187.518m, significantly higher than the carrying value on the Balance Sheet of £141.262m at 31 March 2020. The fair value of the assets is higher than the carrying amount because the Council's portfolio of investments includes a number of fixed rate loans where the interest rate receivable is higher than the rates available for similar loans at the Balance Sheet date. This commitment to pay interest above current market rates increases the amount that the Council would have to pay, if the lender requested, or agreed to, early repayment of loans.

The fair value was assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:-

- Estimated ranges of interest rates at certainty rates (discounted by 0.2%) at 31 March 2020 for loans from the PWLB based on new lending rates for equivalent loans at that date;
- No early repayment or impairment is recognised;
- Where an instrument will mature in the next 12 months, carrying amount is assumed to be approximate to fair value; and
- The fair value of short-term debtors and creditors is deemed to be equivalent to their carrying amount at the Balance Sheet date.

NOTE 44ch – DETAILS OF TYPES OF FINANCIAL LIABILITIES HELD BY THE COUNCIL

Financial Liabilities	Short-term				Long-term				Total			
	31/03/2020		31/03/2019		31/03/2020		31/03/2019		31/03/2020		31/03/2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Financial liabilities held at amortised cost												
Borrowing												
PWLB	16,542	16,759	7,350	7,428	121,891	168,335	126,403	182,090	138,433	185,094	133,753	189,518
Welsh Government	44	43	44	43	-	-	44	43	44	43	88	86
Salix	252	223	142	127	2,533	2,158	904	808	2,785	2,381	1,046	935
Other Loans	-	-	-	-	-	-	-	-	-	-	-	-
Total	16,838	17,025	7,536	7,598	124,424	170,493	127,351	182,941	141,262	187,518	134,887	190,539
Creditors												
Accumulated Absences	1,450	1,450	776	776	-	-	-	-	1,450	1,450	776	776
Rents	-	-	31	31	-	-	-	-	-	-	31	31
Trade Creditors	2,130	2,130	2,737	2,737	-	-	-	-	2,130	2,130	2,737	2,737
Other Creditors	8,991	8,991	8,585	8,585	159	159	157	157	9,150	9,150	8,742	8,742
Total	12,571	12,571	12,129	12,129	159	159	157	157	12,730	12,730	12,286	12,286
Total Financial Liabilities	29,409	29,596	19,665	19,727	124,583	170,652	127,508	183,098	153,992	200,248	147,173	202,825

NOTE 44d – INCOME, EXPENDITURE, GAINS AND LOSSES

The table below shows the impact of the Council's financial instruments held on the Council's annual revenue account for 2019/20.

The table shows that the Council was charged £322k (£466k in 2018/19) for the impairment and de-recognition of the financial assets noted above in Notes 44a and 44b. This reduced the value of the assets by this amount and charged the Comprehensive Income and Expenditure Statement (CIES). However, the Council received £149k (£64k in 2018/19) in interest from its deposits in UK banks and loans to other local authorities.

The interest payable on borrowings relating to 2019/20 was £6,007k (£5,871k in 2018/19).

Income, Expense, Gains and Losses	2019/2020		2018/2019	
	Surplus or Deficit on the Provision of Services £'000	Other Comprehensive Income and Expenditure £'000	Surplus or Deficit on the Provision of Services £'000	Other Comprehensive Income and Expenditure £'000
Net (gain)/losses on:				
Financial assets measured at fair value through profit or loss	-	-	-	-
Financial assets measured at amortised cost (impairment loss allowance and derecognition)	322	-	466	-
Investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-
Financial assets measured at fair value through other comprehensive income	-	-	-	-
Financial liabilities measured at fair value through profit or loss	-	-	-	-
Financial liabilities measured at amortised cost	-	-	-	-
Total net gains/losses	322	-	466	-
Interest revenue:				
Financial assets measured at amortised cost	149	-	64	-
Other financial assets measured at fair value through other comprehensive income	-	-	-	-
Total interest revenue	149	-	64	-
Interest expense:				
Financial liabilities measured at amortised cost	6,007	-	5,871	-
Total interest expense	6,007	-	5,871	-

Where financial instruments have been organised through a broker, fees are charged by the broker. In addition, fees are also incurred on new PWLB loans. However, these fees are not material and have been expensed in the CIES during the year. If the fees had been material, these would have been added onto the carrying value of the relevant financial instrument.

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

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

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

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

Market Risk – the possibility that financial loss might arise for the Council because of changes in such measures as interest rates.

The overall management of significant risks arising from Financial Instruments is supported by the Council's Treasury Management Strategy Statement and Annual Investment Strategy which is approved by the full Council. The new financial standard IFRS 9 Financial Instruments, effective from 1 April 2018, aims to make organisations account for risks earlier. This standard has a limited impact on the Council, which has not invested in more risky or complex investments. The Council has only invested in UK banks and other local authorities during the year.

Credit Risk

Credit Risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers (debtors on the Balance Sheet). The standard requires the Council to provide for potential credit losses from potential non-payment of income due to the Council earlier. This is called the Impairment loss allowance (ILA). Instead of basing potential losses on historic information only, the Council will take into account potential future credit losses earlier and has revised the impairment policy to impair for potential credit losses on more current debtors. The revised policy can be found in Note 51 Accounting Policies.

The Council has assessed the credit risk of bank deposits on the likelihood of the bank defaulting in repaying the investment. There are increased risks to the banking sector from Brexit; however, the risk of default is still considered low. This is due to banks' increased financial resilience following new legislation following the 2008 banking crises. The bank deposits have, therefore, not been impaired. Deposits are not made with banks and financial institutions unless, having been rated independently, they have attained a minimum credit rating or level of government guarantee, and credit limits are set for each counterparty. The Council has set a number of limits based on credit quality for different types of institutions, different periods and amounts and has a policy of not lending more than £10m to any one institution other than the UK government. The Council monitors credit ratings regularly and is alerted to changes by its Treasury Management consultants. Appropriate action is taken following any changes in accordance with the Annual Investment Strategy. An Annual Treasury Report is produced to report on investment activity. All deposits outstanding at year-end were originally made for less than one year.

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

The Council does not generally allow credit for customers; it has prescribed collection procedures for amounts owed by its customers and appropriate provisions are made for potential credit losses. In some circumstances, the Council obtains a legal charge on property to cover deferred debts, such as self-funding of residential care. The Council also has a number of longer-term debtors, including mainly car loans to employees and residual mortgages from a closed scheme offering home loans to tenants and to members of the public. The residual mortgages are low risk due to the charge held by the Council on mortgaged properties. The car loans are considered low risk due to the ability to deduct repayments of car loans from employees' salaries, reciprocal arrangements with other local authorities for any staff transferring with outstanding car loans, insurance for loans unpaid due to death in service and normal debt recovery procedures for any employees who leave local government employment. However, the risk of default on employee loans increases sharply despite these measures if the employee leaves the Council's employment. Therefore, an impairment loss allowance of 10% has been applied to the current balance on employee car loans.

Note 45a below shows the increases in impairment loss allowances for 2019/20.

NOTE 45a – IMPAIRMENT AND DERECOGNITION OF FINANCIAL ASSETS

Asset Class (amortised cost)	2019/20	2018/19
	Lifetime expected credit losses - not credit impaired	Lifetime expected credit losses - not credit impaired
	£'000	£'000
Opening Balance as at 1 April 2019	3,417	3,127
Deposits in UK Banks	-	-
Trade debtors (excluding public sector and taxation)	(32)	238
Soft Loans	(6)	33
Rents	36	19
Total Impairment Allowance 31 March 2020	3,415	3,417
Financial Assets that have been derecognised	324	176
Total Impairment and Derecognition charged	322	466

NOTE 45b – VALUE OF TRADE RECEIVABLES AT 31 MARCH 2020 AND PERCENTAGE APPLIED PER BAND AS IMPAIRMENT LOSS ALLOWANCE

The table below shows that all amortised financial assets were impaired using the simplified approach as the financial assets requiring impairment related to trade receivables. This is the recommended approach for outstanding amounts due to the Council. The table shows the outstanding value of amounts due to the Council for the amount of time the debt has been outstanding. The credit risk rating relates to the percentage of the value of outstanding debt for the differing ages of the debt that the Council applies for the impairment loss allowance. For example, for debt outstanding for 366 to 730 days, 75% of the £331k is charged to revenue to account for this risk of debts not being paid. This would be £248k for this band of debt. However, the Council would still actively pursue the debt.

	Credit Risk Rating	Gross Carrying Value £000	Impairment Allowance required 2019/20 £0
12-month expected credit losses	-	-	
	-	-	
Significant increase in credit risk since initial recognition	-	-	
	-	-	
Credit Impaired at 31 March	-	-	
	-	-	
Simplified Approach - Council Policy			
Day 1 to 14	2%	89	2
Outstanding 15-45 days	2.50%	385	10
Outstanding 46-75 days	4.50%	268	12
Outstanding 76-105 days	7.50%	170	13
Outstanding 106 - 182 days	15%	252	38
Outstanding 183 - 365 days	50%	318	159
Outstanding 366 - 730 days	75%	331	248
Outstanding 731 days or more	100%	787	787
			-
Housing Benefits Overpayments	90%	1,639	1,475
Deferred income - Social Services	10%	456	46
Additional credit risk from Covid-19			
Day 1 to 14	2%	89	2
Outstanding 15-45 days	2.50%	385	10
Outstanding 46-75 days	4.50%	268	12
Outstanding 76-105 days	7.50%	170	13
Outstanding 106 - 182 days	5%	252	13
Rent	NA	NA	544
Soft Loans and other	15%	219	33
		6,078	3,415
Total		6,078	3,415

Liquidity Risk

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

NOTE 45c – PROFILE OF WHEN LOANS ARE DUE TO BE REPAID BY THE COUNCIL

	2019/20 Outstanding Principal	2019/20 Accrued Interest	2019/20 Cost less accumulated amortisation	2018/19 Outstanding Principal	2018/19 Accrued Interest	2018/19 Cost less accumulated amortisation
	£'000	£'000	£'000	£'000	£'000	£'000
>50 years	-	-	-			
34-50 years	49,964	-	49,964	52,976	-	52,976
23-33 years	44,703	-	44,703	42,713	-	42,713
15-22 years	13,553	-	13,553	13,167	-	13,167
11-14 years	4,105	-	4,105	4,934	-	4,934
7-10 years	6,227	-	6,227	4,256	-	4,256
4-6 years	3,236	-	3,236	4,608	-	4,608
1-3 years	2,636	-	2,636	4,698	-	4,698
Total Long-Term Borrowing	124,424	-	124,424	127,352	-	127,352
Total Short-Term Borrowing (< 1 year)	14,808	2,030	16,838	5,197	2,338	7,535
Total	139,232	2,030	141,262	132,549	2,338	134,887

Market Risk

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

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

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

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

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

All of the Council's current and long-term borrowings are held at fixed rates. This helps reduce the impact of bank rate changes on the Council. Note 45ch shows the impact of a 1% interest rate increase on the fair value of the Council Financial Instruments. The value of the loans in the Balance Sheet would remain the same due to the interest rates being fixed. However, the fair value would reduce by £27.628m. The rate increase would have a positive impact on the Council's deposits as an extra £142k interest receivable would be received if there was a 1% increase in interest rates.

NOTE 45ch – ESTIMATED IMPACT OF A ONE PERCENT INCREASE IN INTEREST RATES ON FINANCIAL ASSETS

Impact of a 1% interest rate increase	£'000
Increase in value of fixed rate investment assets	142
Impact on other Comprehensive Income and Expenditure	142
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or other Comprehensive Income)	27,628

Interest rates have remained low and stable since 2009. This is due to the global financial crisis which was triggered by the banking crises from September 2008. The base rate fell from 5% in 2008 prior to the crisis to 0.50% in March 2009 where it remained at 0.5% until 2016. It was reduced to 0.25% in August 2016 in response to the economic shock from the result of the referendum to leave the European Union. The rate was returned to 0.5% in November 2017. The base rate saw its first real increase since 2009 on 2 August 2018, where it was increased slightly to 0.75%. The Covid-19 pandemic, which is discussed in detail in the narrative report, is resulting in a shock even more significant than Brexit. While the full extent of the economic impact of Covid-19 is still not known, it was initially compared with the financial crisis in 2008. However, it is now being compared with the Great Depression in the 1930s. To help the economy, the Bank of England cut the base rate to a new all-time low at 0.1% in March 2020.

Source: <https://www.bankofengland.co.uk/monetary-policy/the-interest-rate-bank-rate>, retrieved 2 June 2020.

Brexit

The UK formally left the European Union (EU) on 31 January 2020 and is in a transitional year while a formal trading agreement and terms of departure are being negotiated. There has been very little economic impact during the transitional year. The impact on the economy will depend on the final agreement and also trade agreements with countries outside the EU. The impact of the Covid-19 pandemic will impact the economy more significantly, as mentioned above. The long-term outlook ratings for the UK banks as a whole have been downgraded to a negative outlook. A collapse of the banking sector would undermine the deposits held in UK banks (circa £17m at 31 March 2020). This is being monitored closely and, reassuringly, the credit ratings of the banks in which the Authority holds deposits remain at an acceptable level in accordance with the Treasury Management Strategy. If the credit ratings fall below the acceptable level, the Authority would seek to place the balances in alternative investments, which must be in accordance with the Treasury Management Strategy.

The Council receives regular market information and advice from its treasury management consultants and potential outcomes in relation to Brexit and Covid-19.

The Council has benefited from very low interest rates on the borrowings that Council has taken out during the latter part of the year.

NOTE 46 - JOINT COMMITTEES

Joint Planning Committee

The Isle of Anglesey County Council and Gwynedd Council are parties to the Joint Planning Committee.

Gwynedd Council is responsible for the operation of this committee, and the year-end balances are reflected in its Balance Sheet. The 2019/20 accounts for the committee can be viewed by following:-

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

GwE

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

Gwynedd Council is responsible for the operation of this committee, and the year-end balances are reflected in its Balance Sheet. The 2019/20 accounts for the committee can be viewed by following:-

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

North Wales Economic Ambition Board

The Council is part of the North Wales Economic Ambition Board which comprises representatives from all six of the North Wales Local Authorities. A key role of this committee is to coordinate the planning and delivery of the Growth Vision for North Wales, with an initial emphasis on the Growth Deal. The Growth Deal is a package of funding from Central Government and the Welsh Government with a budget of £240m to deliver projects across Wales to deliver sustainable and economic growth.

Additional information about the Joint Committee can be found on Gwynedd County Council's website at the following web address/link:-

<https://democracy.cyngor.gwynedd.gov.uk/ielistmeetings.aspx?cid=418&year=0>

North Wales Residual Waste Treatment Project

The North Wales Residual Waste Treatment Project (NWRWTP) entered a new phase during 2019/20 as the Parc Adfer waste treatment facility became operational. Deliveries of waste from the five partner authorities commenced on 27 August 2019 as the commissioning phase began, and the plant became fully operational on 20 December 2019. Service costs are now being incurred and are reflected under the Highways, Property and Waste part of the Comprehensive Income and Expenditure Statement. Flintshire Council will continue to act as lead authority on this project and the Joint Committee arrangements will remain in the future. Isle of Anglesey County Council's share of the joint committee costs for 2019/20 was £448.

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

- North Wales Adoption Service (Lead: Wrexham. Parties: Flintshire, Denbighshire, Conwy, Gwynedd);
- Minerals and Waste Service (Lead: Flintshire. Parties: Denbighshire, Conwy, Gwynedd);
- Regional Emergency Planning Service (Lead: Flintshire. Parties: Wrexham, Denbighshire, Conwy, Gwynedd);
- Galw Gofal (Lead: Conwy. Parties: Gwynedd, Flintshire);
- Under regulation 19(1) of the Partnership Arrangements (Wales) Regulations 2015, a pooled budget arrangement has been agreed between North Wales local authorities and the Betsi Cadwaladr University Health Board in relation to the provision of care home accommodation for older people. The arrangement came into effect on 1 April 2019. Denbighshire County Council is acting as host authority during the initial term of the agreement (2019/20 to 2021/22). The Transactions for Isle of Anglesey County Council are included under Adult Services in the Comprehensive Income and Expenditure Statement.

NOTE 47 – HOUSES INTO HOMES

The Council acts as an agent for Welsh Government for the provision of loans to individuals for renovation of empty homes in order to reduce the number of empty homes on Anglesey and increase housing opportunities. In 2019/20, £0.106m (£0.087m in 2018/19) was utilised in the renovations of empty homes.

NOTE 48 – COUNCIL TAX

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into nine valuation bands estimating 1 April 2003 values for this specific purpose. Charges are calculated by taking the amount of income required for the Council and the North Wales Police Authority for the forthcoming year and dividing this amount by the Council Tax base. The Council Tax base is the total number of properties in each band adjusted by a proportion to convert the number to a band D equivalent and adjusted for discounts. The Council Tax base for 2019/20 was 31,571.46 (30,773.31 in 2018/19).

The amount for a band D property in 2019/20, £1,572.32 (£1,440.78 in 2018/19), is multiplied by the proportion specified for the particular band to give the amount due by band. Individual amounts due are calculated by applying discounts and benefits to the amount due by band.

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

Band	A*	A	B	C	D	E	F	G	H	I
Multiplier	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9

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

Band	A*	A	B	C	D	E	F	G	H	I	Total
Total Dwellings	14	4,194	6,098	6,195	6,793	5,158	2,533	1,018	157	46	
Multiplier	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9	
Band "D" Equivalent	7.92	2,796.23	4,742.97	5,506.22	6,793.00	6,304.71	3,658.42	1,696.75	313.50	108.38	31,928.10

	2019/20	2018/19
Band D equivalent as above	31,928.10	31,118.10
Collection Rate	98.50%	98.50%
Revised Band D equivalent	31,449.18	30,651.33
MoD Properties – Band D equivalent	122.28	121.98
Council Tax Base	31,571.46	30,773.31

In 2013/14, the Welsh Assembly Government introduced the Council Tax Reduction Scheme to replace the Council Tax benefit scheme. £5.778m of Council Tax reductions were awarded in 2019/20 (£5.381 m in 2018/19).

Analysis of the net proceeds from Council Tax:	2019/20 £'000	2018/19 £'000
Gross Council Tax	49,618	44,797
Add/Less: provision for non-payment not required or not previously accounted for	(185)	(191)
Council Tax collectable	49,433	44,606
Less Council Tax Reduction awarded to residents	(5,778)	(5,381)
Net Proceeds from Council Tax	43,655	39,225

NOTE 49 - NON-DOMESTIC RATES (NDR)

NDR is organised on a national basis.

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

The Welsh Government specifies an amount for the rate – 54.5p in 2019/20 (51.4p in 2018/19), and local businesses pay rates calculated by multiplying their rateable value by that amount. The Council is responsible for collecting rates due from ratepayers in its area but pays the proceeds into the NDR pool administered by the Welsh Government. The Welsh Government then redistributes the sums paid into the pool back to local authorities on the basis of a fixed amount per head of population.

NDR income, after reliefs and provisions (including Small Business Rates Relief provided by the Welsh Government), totalled £14.239m for 2019/20 (£14.404m in 2018/19) and was based on rateable value at the year-end of £39.915m (£39.107m in 2018/19).

Analysis of the net proceeds from non-domestic rates:	2019/20 £'000	2018/19 £'000
Non-domestic rates collectable	14,239	14,404
Cost of collection allowance	(159)	(154)
Interest paid on overpayments	-	-
Provision for bad debts	15	(173)
Contribution to cost of charitable relief/rural rate relief	63	60
High Street and Retail Relief met from grant	440	48
Payments into national pool	14,598	14,185
Redistribution from national pool	22,754	22,574

NOTE 50 - MARITIME

The Council, as a Harbour Authority, is responsible for the following maritime services: Beaumaris, Fryars Bay, Glyn Garth, Menai Bridge, Red Wharf Bay and Amlwch Harbour. The Statutory Harbour Undertakings (Accounts, etc.) Regulations 1983, no. 931, exempts harbour authorities with a turnover of less than £250,000 from the requirement to prepare separate harbour accounts under the Harbours Act 1964. The income and expenditure for Maritime Services are, instead, included in these accounts within the expenditure and income for the Regulation and Economic Development Service. In 2019/20, the turnover on maritime services was £48,361.45 (£50,732 in 2018/19). Costs incurred during the year were £83,439.77 (which includes £18,809 of loan interest/capital repayment).

NOTE 51 – ACCOUNTING POLICIES

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

Policy Reference	Policy Title
1	General Principles
2	Accruals of Income and Expenditure
3	Events After the Balance Sheet Date
4	Jointly Controlled Operations and Jointly Controlled Assets
5	Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors
6	Value Added Tax (VAT)
7	Fair Value Measurement
8	Non-Current Assets (Property, Plant and Equipment)
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1. General Principles

The Statement of Accounts summarises the Council's transactions for the 2019/20 financial year and its financial position at the year-end of 31 March 2020. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations and the Accounts and Audit (Wales) (Amendment) Regulations 2018. These regulations require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 and the CIPFA Service Reporting Code of Practice 2019/20, supported by International Financial Reporting Standards (IFRS). All principal accounting policies have been applied consistently throughout the year. The Statement of Accounts has been prepared on a "going concern" basis.

2. Accruals of Income and Expenditure

Transactions are accounted for in the year that they take place, not simply when cash payments are made or received. This accruals accounting approach provides a more complete basis for reporting the Council's financial performance as it includes the Council's future commitments to pay/receive cash for goods and services received but not paid by 31 March 2020. Income and expenditure is accounted for in the year the activity it relates to takes place, not simply when cash is paid or received, i.e. on an accruals basis. This means income is recorded when it is earned not received and expenditure when it is incurred not when it is paid. Income from the sale of goods is included in the accounts when the sale is completed, not when the cash is received. Income from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and, as a result of this, the Council is due income in return for the services provided. In addition:-

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

3. Events after the Balance Sheet Date

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

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

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

4. Jointly Controlled Operations and Jointly Controlled Assets

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

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

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

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

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

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

6. Value Added Tax (VAT)

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

7. Fair Value Measurement

IFRS 13 Fair Value Measurement requires most non-current assets, liabilities and financial instruments to be valued at fair value, often with regard to an active market value where available. For operational assets, the standard introduces the concept of fair value being based on current value (often value in use) for revaluations of Property, Plant and Equipment. This means measurements should reflect the market conditions for the service or function at the reporting date. The standard provides different fair valuation approaches to differing asset types. For non-operational assets, i.e. investment assets, assets held for sale and surplus assets, these are valued at their highest and best use. Where there is an alternative use which would be of a higher fair value, that is the fair value which would be used for the valuation of non-operational assets. The code does not require infrastructure assets to be revalued at current value. Infrastructure assets are, instead, valued at depreciated historical cost.

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

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

8.1 Recognition

Non-current assets - Plant, Property and Equipment (PPE) - are physical assets which last a year or more and will be used by the Council in support of its provision of goods and services. The Council has set a minimum amount for expenditure on assets to be classed as capital expenditure. This de-minimis amount is £10k. Expenditure on the acquisition, creation or enhancement of non-current assets which cost £10k or more is capitalised on an accruals basis providing that it meets the above definition of a non-current asset. Plant, Property and Equipment would include assets such as machinery; it would not typically include assets held for sale as they would normally be expected to be disposed of within 12 months.

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

8.2 Measurement

Assets are initially measured at cost, comprising:-

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

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

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

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

- Infrastructure, community assets and assets under construction are valued at depreciated historical cost;
- Council dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH);
- Council offices – current value, determined by the amount that would be paid for the asset in its existing use;
- School buildings – would be valued at current value in use but, because of their specialist nature, are measured at depreciated replacement cost;
- Surplus assets – the current value measurement is fair value, estimated at the highest and best use from a market participant's perspective;
- All other operational assets have been measured at current value based on existing use value (EUV). This means that the current value of land and buildings would be that amount which would be exchanged for an asset in its existing use. If there is no market evident for an asset due to its specialist nature or if the type of asset is rarely sold, the Authority estimates the current value using a depreciated replacement cost approach. For example, for property comprising land and buildings, depreciated replacement cost would be the market value for the existing use for the land on which the building sits plus the current gross replacement cost of the building less allowances for physical deterioration, obsolescence and optimisation;
- Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income and Expenditure line of the Comprehensive Income and Expenditure Statement. Where there are conditions on any donated assets, the gain is instead credited to the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance to the Capital Adjustment Account in the Movement in Reserves Statement;
- Where a part or component of an asset is replaced, the carrying value of the old part/component is derecognised to avoid double counting. The new component is then added to the carrying amount. If it is not practicable to determine the carrying amount of the replaced part, the cost of the new part is used as an indication of the cost of the replaced part; and
- Where an asset is not held for the purpose of generating cash flows, value in use is assumed to be at least equal to the cost of replacing the asset's service potential.

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

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

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

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

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

8.3 Impairment

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

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

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

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

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

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the impairment against the asset is written down against that balance (up to the amount of the accumulated gains);

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

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

8.4 Depreciation

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

Depreciation is calculated on the following bases:-

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

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

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

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

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

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

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

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

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

8.6 Disposals of Non-current Assets

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

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

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

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

8.7 Surplus Assets

The fair value of surplus assets is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This will be based on the highest and best use estimated using Level 1 inputs.

8.8 Heritage Assets

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

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

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

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

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

8.9 Treatment of School Assets

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

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

Capital expenditure on community schools is added to the balances for those schools. Individual schools' balances at 31 March 2020 are included in the Balance Sheet of the Council as any unspent delegated schools' budgets remain the property of the Council.

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

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

9. Investment Properties

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

Investment properties are recognised when it is probable that future planned economic benefits will flow to the Authority and that the cost or fair value of the investment property can be reliably measured. Investment properties are measured initially at cost and, subsequently, at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. The Code requires that Investment Properties be valued at their highest and best use regardless of the intentions of the Council. This means that alternative uses have been considered for each investment property and, if there is an alternative use that would maximise fair value, then that is the fair value which is to be used. The properties are not depreciated but are revalued annually in accordance with IFRS 13 according to market conditions at the Balance Sheet date. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

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

10. Intangible Assets

Intangible assets are non-current, non-financial assets which are separately identifiable but which do not have physical substance (for example, computer software). These are controlled by the Council as a result of past events. Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services. Expenditure on intangible assets is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council. The useful economic life of intangible assets is determined by the relevant professional leading on the purchase of/development of the intangible asset. The useful economic life of intangible assets is shorter than tangible assets, for example, between five to seven years. Intangible assets are amortised on a straight-line basis over the useful economic life of the asset.

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

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

11. Inventories and Long-Term Contracts

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

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

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

12. Cash and Cash Equivalents

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

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

13. Financial Instruments

13.1 Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument, are initially measured at fair value, and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

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

13.2 Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets:-

- amortised cost ;
- fair value through profit or loss (FVPL); and
- fair value through other comprehensive income (FVOCI).

The Authority's business model is to hold investments to collect contractual cash flows. Financial assets are, therefore, classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

However, the Authority has made a number of loans to employees at less than market rates (soft loans). The Council uses HMRC's rate for beneficial employee loans as a proxy for market value/effective interest rate. Where the difference between the discounted rate and the effective interest rate is more than £100k, a loss is recorded in the CIES for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable from the employees, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

13.3 Expected Credit Loss Model

The Authority recognises expected credit losses on all of its financial assets held at amortised cost [or, where relevant, FVOCI], either on a 12-month or lifetime basis. The simplified lifetime basis expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Authority.

The Council will also extend the simplified approach to lease receivables and trade receivables and contract assets where there is a significant financing component.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly, or remains low, losses are assessed on the basis of 12-month expected losses.

For 2019/20, in respect of Sundry Debtors the following bad debt percentages applied:-

6 months to 1 year: 50%;
1 year to 2 years: 75%;
Over 2 years: 100%.

Higher percentages would apply for certain debtors, taking regard of individual circumstances, e.g. company liquidation, personal bankruptcy.

Debtors which had been deferred i.e. Social Services residential fees that had been deferred pending sale of property (where a charge on the property applied), a provision of 10% applied irrespective of age – although a higher provision would apply in certain circumstances e.g. current state of property or property value or dispute.

IFRS requires earlier recognition of debt (current practice does not provide for debts earlier than six months old, although a provision would be made for known individual debtor circumstances, e.g. bankruptcy, aged less than this) and public sector debts are to be excluded (currently debts for local health board, major and local preceptors (councils)/levying bodies etc. and central/devolved administrations etc. are included). Having regard to IFRS 9, revised impaired loss allowances are required and the following considerations are made to arrive at the revised allowances:

IFRS 9 does not define default of a debt, but requires an organisation to provide such a definition consistent with its credit management purposes. The following definition is used for the purposes of impaired loss allowance requirement for Sundry Debt, which is simple enough and is consistent with this Authority's credit management –

A debtor is in default of a debt (for impaired loss allowance purposes in respect of Sundry Debt) if payment has not been received against a debt in the Civica Debtor system (by 31 March each year) where the age of the debt is more than 14 calendar days from the tax point date.

The following allowances are proposed for periods up to six months:-

- Day 1 to 14 days from invoice being raised – 2%;
- 1 – 30 days past due date i.e. 15 days to 45 days from tax point date – 2.5%;
- 31 – 60 days past due date i.e. 46 days to 75 days from tax point date – 4.5%;
- 61 – 90 days past due date i.e. 76 days to 105 days from tax point date – 7.5%;
- 91 – 168 days past due date i.e. 106 days to 182 days from tax point date – 15%.

The Council would then continue to apply the current percentages for debts older than six months from the tax point date i.e.

- 183 – 365 days from tax point date – 50%;
- 366 – 730 days from tax point date – 75%;
- 731 days or more from tax point date – 100%.

Deferred charges

These from 183 days from tax point date are to be applied at 10% ONLY and not at the higher rates shown. No provision for deferred debts aged less than six months old. The Council has legal charges secured against individuals' homes, hence the reduced amount for impairment.

The annual impairment gain or loss will be the change in lifetime expected credit losses over the year.

13.4 Financial Assets Measured at Fair Value through Profit of Loss (FVPL)

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:-

Instruments with quoted market prices – the market price of other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:-

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

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

Level 3 inputs – unobservable inputs for the asset.

13.5 The Financial Statements

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

13.6 Available-for-Sale Financial Assets

The Council does not have any available-for-sale financial assets and is unlikely to have any in the short-term as these financial assets are not included in the Treasury Management Strategy Statement 2019/20.

14. Provisions, Contingent Liabilities and Contingent Assets

14.1 Provisions

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

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

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

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

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

14.2 Contingent Liabilities

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

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

14.3 Contingent Assets

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

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

15. Reserves

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

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

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

16. Revenue Recognition

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

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

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

17. Internal Interest

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

18. Leases

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

18.1 The Council as Lessee

18.1.1 Finance Leases

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

Lease payments are apportioned between:-

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

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

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

18.1.2 Operating Leases

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

18.2 The Council as Lessor

18.2.1 Finance Leases

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

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

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

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

18.2.2 Operating Leases

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

19. Charges to Revenue for Non-Current Assets – Minimum Revenue Provision (MRP)

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

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

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

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

The Housing Revenue Account (HRA) provision is calculated as being 2% of the opening HRA Capital Financing Requirement (CFR). The Council reviewed its MRP policy and changed the method of calculation of MRP for the Council Fund element from 1 April 2018. The Council previously calculated MRP on a 4% reducing balance basis for supported borrowing and an asset life basis for capital items funded by unsupported borrowing. The new method provides a consistent approach and expenditure funded by supported borrowing will also be charged on the asset-life basis. For assets funded by supported borrowing at 1 April 2018, the asset-life of these have been assumed as 50 years as the borrowing would have funded a number of assets. Any new assets after 1 April 2018 funded from supported borrowing and unsupported borrowing will be based on the actual expected asset life for that asset. The MRP methodology was changed to ensure a consistent and a more prudent approach which more accurately matches the MRP with the life of the asset which is being funded.

An exception to this policy arises in respect of expenditure which is subject to a capitalisation direction issued under Section 40(6) of the Local Government and Housing Act 1989. Any such expenditure will be amortised either in accordance with the above policy or over the number of years specified within the direction.

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

20. Government Grants and Contributions

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

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

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

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

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

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

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

22. Overheads and Support Services

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

23. Foreign Currency

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

24. Employee Benefits

24.1 Benefits Payable during Employment

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

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

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

24.2 Termination Benefits

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

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

24.3 Post-Employment Benefits

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

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

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

24.4 Teachers' Pension Scheme

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

24.5 The Local Government Pension Scheme

All employees (other than teachers) and Councillors, subject to certain qualifying criteria, are able to join the Local Government Pension Scheme. The Scheme is known as the Gwynedd Pension Fund and is administered by Gwynedd Council in accordance with the Local Government Pension Scheme Regulations 2013 on behalf of all participating employers. Under International Accounting Standard (IAS19), the Local Government Scheme is accounted for as a defined benefits scheme.

The liabilities of the Gwynedd Pension Scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a real discount rate that is based on the indicative rate of return on UK Government bonds adjusted for an addition to the yield that reflects the extra risk involved in using AA Corporate Bond yields – known as the credit spread.

The assets of Gwynedd Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:-

- Quoted securities - current bid price;
- Unquoted securities - professional estimate;
- Unitised securities - current bid price; and
- Property - market value.

The change in the net pension liability is analysed into four components:-

- a) Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

- b)** Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs. Net interest on the net defined benefit liability, i.e. the net interest expense for the Council - the change during the period in the net defined benefit liability that arises from the passage of time, is charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period, to the net defined benefit liability at the beginning of the period (taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments).
- c)** Re-measurement comprising:-
- The return on plan assets (excluding amounts already included in the net interest on net defined benefit) which is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
 - Actuarial gains and losses – changes in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. This is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- ch)** Contributions paid to the Gwynedd Pension Fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

24.6 Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any employee (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

25. Exceptional Items

Where items of income and expense are material in the context of these accounts, their nature and amount is disclosed separately either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council’s financial performance.

26. Accounting for NDR (Non-Domestic Rates)

As the Council acts as an agent in the collection of NDR income, it does not include the financial position with regard to the ratepayers and only reports the net cash position with Central Government in its Balance Sheet. Therefore, if the amount collected from NDR taxpayers by the Authority (net of the cost of collection allowance) exceeds that paid to Welsh Government at 31 March, the amount not yet paid to the Welsh Government is included in the Balance Sheet as a creditor. Similarly, if the cash paid to Welsh Government exceeds the cash collected from NDR taxpayers (net of the cost of collection allowance), the excess is included in the Balance Sheet as a debtor. The Council maintains records of NDR arrears, impairment allowances, prepayments and overpayments in its underlying accounting records; however, for final accounts purposes, these balances are consolidated into a single agency account, with the figures netting down to the debtor/creditor to the national pool. The cost of collection allowance received by the Isle of Anglesey County Council is the billing Council's income and is included in the Comprehensive Income and Expenditure Statement.

Cash collected from NDR taxpayers is not included in the Cash Flow Statement except for the cash retained in respect of the cost of collection allowance. Any difference between the cash collected from NDR taxpayers and the cash paid into the NDR Pool is included within financing activities in the Cash Flow Statement.

27. Agency Income and Expenditure

Under various statutory powers, a Council may agree with other local authorities, water companies and government departments to do work on their behalf. The body carrying out agency services is reimbursed by the responsible body to the extent of approved expenditure together with any agreed contribution towards administrative costs. Only the amounts relating to the Council, for example the fees earned for providing the agency services, will be included in the Council's Comprehensive Statement of Income and Expenditure.

The Isle of Anglesey County Council has acted as an agent during the year on behalf of:-

Welsh Government - Collecting Non-Domestic Rates (NDR) and paying the sums collected over to Welsh Government, less the amount retained in respect of the cost of collection allowance;

Welsh Government – Empty Homes' Loans, where the Council acts as agent between Welsh Government and recipients of Empty Homes' Loans.

**SUPPLEMENTARY FINANCIAL STATEMENT
HOUSING REVENUE ACCOUNT (HRA)**

Income and Expenditure Statement for the year ended 31 March 2020

	2019/20 £'000	2018/19 £'000
Expenditure		
Management and Maintenance - Repairs and Maintenance	3,512	3,684
Management and Maintenance - Supervision and Management	5,134	4,572
Rents, Rates, Taxes and Other Charges	61	39
Depreciation, Impairment and Revaluation Losses of Non-current Assets	9,989	11,372
Debt Management Costs	12	12
Movement in the Impairment Allowance for Bad Debts	118	89
Movement in the Accumulated Absences Accrual	71	(51)
Total Expenditure	18,897	19,717
Income		
Dwelling Rents	(18,025)	(17,089)
Non-dwelling Rents	(219)	(215)
Charges for Services and Facilities	(209)	(174)
Contributions towards Expenditure	(92)	(168)
Other	(172)	(308)
Total Income	(18,717)	(17,954)
Net Expenditure of HRA Services as included in the Whole Authority Comprehensive Income and Expenditure Statement	180	1,763
HRA Services' Share of Corporate and Democratic Core	56	56
Net Expenditure of HRA Services	236	1,819
HRA Share of the Operating Income and Expenditure included in the Whole Authority Comprehensive Income and Expenditure Statement		
(Gain) on sale of HRA Non-current Assets	-	-
Revaluation of Assets	(31)	7
Interest Payable and Similar Charges	1,773	1,765
Interest and Investment Income	(38)	(16)
Capital Grants and Contributions receivable:	-	-
- Major Repairs Allowance	(2,660)	(2,664)
- Other	(1,541)	(7)
Deficit for the Year on HRA Services	(2,261)	904

Statement of Movements on the HRA Balance

Items included in the HRA Income and Expenditure Account but excluded from the movements on HRA Balance for the year

	2019/20 £'000	2018/19 £'000
Balance on the HRA at the end of the Previous Reporting Period	(8,387)	(7,380)
(Surplus)/Deficit for the Year on HRA Services	(2,261)	904
Adjustments between Accounting and Funding Bases under Statute	2,051	(1,911)
Net (increase)/decrease before Transfers to/from Reserves	(210)	(1,007)
Transfers to/(from) Earmarked Reserves	-	202
Net (Increase)/Decrease in Year on the HRA	(210)	(805)
Adjustment to Reserve	-	(202)
Balance on the HRA at the end of the Current Reporting Period	(8,597)	(8,387)

NOTES TO THE HOUSING REVENUE ACCOUNT (HRA)

NOTE 1 – HOUSING REVENUE ACCOUNT

The Housing Revenue Account is a record of expenditure on, and income from, the provision of local Council housing, and the form and content of the Account is prescribed by statute. The Housing Revenue Account is “ring-fenced” and must be self-supporting. Contributions both to and from the Housing Revenue Account (e.g. from the Council Fund) are limited to special circumstances.

NOTE 2 – HOUSING STOCK

Following the buyout from the Housing Subsidy scheme, the Council has a policy of purchasing suitable former Council dwellings and returning them to Council housing stock. During 2019/20, 20 such properties were purchased (12 in 2018/19). Additionally, the Council has recommenced the building of new HRA dwellings, 20 such units being added in 2019/20. As at 31 March 2020, the number of dwellings totalled 3,858, with the split by type of dwelling made up as follows:-

	31 March 2020	31 March 2019
Council Owned Stock		
Houses	2,045	2,028
Bungalows	1,055	1,045
Flats	751	738
Bedsits	7	7
Total Council Owned	3,858	3,818

NOTE 3 – HOUSING REVENUE ACCOUNT CAPITAL EXPENDITURE

	2019/20 £'000	2018/19 £'000
Capital investment		
Houses	11,811	9,028
Sources of funding		
Capital Receipts	-	-
Government grants and other contributions	(4,202)	(2,671)
Direct Revenue Financing	(7,609)	(6,357)
Total	(11,811)	(9,028)

The Major Repairs Allowance for 2019/20 of £2.660m was used in full during the year (£2.659m in 2018/19).

NOTE 4 – DEPRECIATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

	2019/20 Derecognition £'000	2019/20 Depreciation £'000	2019/20 Total £'000	2018/19 Derecognition £'000	2018/19 Depreciation £'000	2018/19 Total £'000
Land	-	-	-	-	-	-
Dwellings	6,213	3,533	9,746	7,504	3,572	11,076
Other Property - Operational Assets	-	243	243	-	297	297
	6,213	3,776	9,989	7,504	3,869	11,373

NOTE 5 – CAPITAL RECEIPTS FROM DISPOSAL OF LAND, HOUSES AND OTHER PROPERTY WITHIN THE HOUSING REVENUE ACCOUNT

	2019/20 No. of Sales	2019/20 £'000	2018/19 No. of Sales	2018/19 £'000
Council dwellings				
Right to Buy	-	-	-	-
Discounts repaid	1	(4)	-	-
Other Receipts				
Land sales	-	-	-	-
Other property sales	-	-	-	-
Mortgage Property	-	(4)	-	-
Less set aside	-	-	-	-
Total		(4)		-

NOTE 6 – RENT ARREARS AND BAD AND DOUBTFUL DEBTS

During 20219/20, total rent arrears increased by £0.133m. A summary of rent arrears and prepayments is shown in the following table:-

Rent Arrears	2019/20 £'000	2018/19 £'000
Current Tenant Arrears	550	429
Former Tenant Arrears	275	250
Total Rent Arrears	825	679
Prepayments	(229)	(216)
Total Debt	596	463

Allowance has been made in the Balance Sheet for bad and doubtful debts. These stood at £0.544m against rents (£0.462m in 2018/19).

NOTE 7 – PENSION COSTS

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

The costs of retirement benefits are recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to be made against the Housing Revenue Account is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the Housing Revenue Account after Net Operating Expenditure. The following transactions have been made in the Housing Revenue Account during the year:-

HRA Income and Expenditure Account	2019/20 £'000	2018/19 £'000
Current Service Cost	(589)	(407)
Employer Contributions actually paid	589	407
Contribution to Pension Reserve	-	-

It has not been possible to determine how much of the pension interest costs and expected return on assets per the actuarial report relate to the Housing Revenue Account, so these have been fully allocated to the Council Fund.

APPENDIX 1

RELATED PARTY DISCLOSURE - STAKEHOLDER REPRESENTATION WITH THIRD PARTY ORGANISATIONS	
Anglesey Access Group	Robert G Parry OBE FRAGS
Anglesey Agricultural Show	Kenneth P Hughes
Anglesey and Gwynedd Safer Communities Partnership	Llinos Medi Huws
Anglesey Citizens Advice	Nicola Roberts
Anglesey Language Forum	Lewis Davies, Gwilyn O Jones, R Meirion Jones, Ieuan Williams, Bryan Owen
Area of Outstanding Natural Beauty Joint Advisory Committee (Ynys Môn)	Richard Dew, Eric Wyn Jones, Dafydd Roberts, Nicola Roberts, Robin Wyn Williams
Betsi Cadwaladr Stakeholder Reference Group	Llinos Medi Huws
Carers' Champion	Robert G Parry OBE FRAGS
Champion for Adults Safeguarding	Llinos Medi Huws
Champion for Children in Care	Richard Griffiths
Champion for Diversity	Margaret Murley Roberts
Champion for Equality	Nicola Roberts
Champion for Members	Robert Llewelyn Jones
Champion for Older People	Robert Llewelyn Jones
Champion for Scrutiny	Aled M Jones
Champion for the Armed Forces	Richard Dew
Children and Young People's Champion	Llinos Medi Huws
Court of Governors, University of Wales, Bangor	R Meirion Jones
Cwmni CYNNAL AGM	Margaret Murley Roberts
Cwmni Frân Wen	Vaughan Hughes
CYNNAL Management Committee	R Meirion Jones, Dafydd Roberts
Destination Anglesey Partnership (DAP)	Richard Dew
Fostering Panel	Richard Griffiths
Grwp Llandrillo/Menai	R Meirion Jones
GwE Joint Committee	R Meirion Jones
Gwynedd & Anglesey Adoption Panel	Dylan Rees
Gwynedd & Anglesey Youth Justices Service	Llinos Medi Huws
Gwynedd Pensions Fund Committee (Gwynedd Council)	Robin Wyn Williams
Joint Council for Wales	John Griffith, Dafydd Rhys Thomas
Medrwn Môn	Llinos Medi Huws
Member Board of the Consortium of Local Authorities in Wales (CLAW)	Robert G Parry OBE FRAGS
Menter Môn	Ieuan Williams
North and Mid Wales Trunk Road Joint Committee	Robert G Parry OBE FRAGS
North Wales Community Health Council (Anglesey Local Committee)	Trefor Lloyd Hughes MBE, Glyn Haynes, Dylan Rees
North Wales Economic Ambitions Board	Llinos Medi Huws
North Wales Fire and Rescue Authority	Richard Griffiths, Dylan Rees, Eric Wyn Jones
North Wales Fire and Rescue Authority Audit Committee	Dylan Rees

RELATED PARTY DISCLOSURE - STAKEHOLDER REPRESENTATION WITH THIRD PARTY ORGANISATIONS	
North Wales Fire and Rescue Authority Executive Panel	Richard Griffiths, Eric Wyn Jones
North Wales Housing Association	Alun Wyn Mummery
North Wales Leadership Board	Llinos Medi Huws
North Wales Police and Crime Panel	Dylan Rees
North Wales Regional Waste Plan Review Steering Group	Robert G Parry OBE FRAGS
North Wales Residual Waste Treatment Joint Committee	Richard Dew, Robert G Parry OBE FRAGS
North Wales Safer Communities Board	Llinos Medi Huws
North Wales Tourism Partnership	Carwyn Jones
Owen Lloyd, Penrhoslligwy Educational Trust	Vaughan Hughes
Public Service Board Anglesey and Gwynedd	Llinos Medi Huws
Regional Partnership Board	Llinos Medi Huws
Sustainable Development Fund Partnership	Richard Dew
The Harbour Trust, Caernarfon	Robert G Parry OBE FRAGS
Voluntary Sector Liaison Committee	Llinos Medi Huws, Aled Morris Jones, Gwilym O Jones, R Meirion Jones, Alun Mummery
Welsh Local Government Association	Llinos Medi Huws, Ieuan Williams
Wylfa Newydd Project Liaison Group	John Griffith, Richard Griffiths, Kenneth P Hughes, Llinos Medi Huws, Aled Morris Jones, Richard Owain Jones, Dafydd Rhys Thomas
Wylfa Site Stakeholder Group	John Griffith, Richard Griffiths, Kenneth P Hughes, Llinos Medi Huws, Aled Morris Jones, Gwilym O Jones, Richard Owain Jones

GLOSSARY

12-MONTH EXPECTED CREDIT LOSSES

This is the portion of lifetime expected credit losses that represent the expected credit losses that result from default on a financial instrument which are possible within the 12 months after the reporting date.

ACCOUNTING PERIOD

This is the period of time covered by the accounts, normally a period of 12 months, commencing on 1 April. The end of the accounting period is the Balance Sheet date, usually 31 March of the following year.

ACCRUALS

Sums included in the final accounts to recognise goods/services received in the year or income and expenditure earned or incurred in the financial year but for which actual payment had not been received or made as at 31 March.

ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because:-

- Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or
- The actuarial assumptions have changed.

AGENCY SERVICES

These are the services provided by the Council to a third party on behalf of another organisation.

APPROPRIATIONS

These are the amounts transferred between the Comprehensive Income and Expenditure Statement and revenue or capital reserves.

ASSET

An asset is an item having value to the Council in monetary terms. Assets are categorised as either current or non-current:-

- A current asset will be used or be of minimal value within the next financial year (e.g. cash and inventories);
- A non-current asset provides benefits to the Council and to the services it provides for a period of more than one year and may be tangible (e.g. a community centre), or intangible, (e.g. computer software licences).

AUDIT OF ACCOUNTS

This is an independent examination of the Council's financial affairs.

BALANCE SHEET

The Balance Sheet is a statement of the true and fair value of the recorded assets, liabilities and other balances at the end of the financial year.

BUDGET

The Budget is a statement of how much the Council has allocated to each service and function to spend or raise in income for the financial year.

CAPITAL EXPENDITURE

Capital expenditure is expenditure on the purchase of a non-current asset, which will be used in providing services beyond the current financial year, or expenditure which adds to, and not merely maintains, the value of an existing non-current asset. Examples include: the building of a new school, the purchase of IT equipment, a major refurbishment of a care home.

CAPITAL FINANCING

Funds that are available to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

CAPITAL FINANCING COSTS

Capital Financing costs are any additional costs arising from borrowing to fund capital projects. These tend to be interest payable on loans taken out and the Marginal Revenue Provision (MRP) charge on projects financed by borrowing. The MRP is the minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Council.

CAPITAL PROGRAMME

The capital schemes the Council intends to carry out over a specific period of time.

CAPITAL RECEIPTS

Capital receipts represent the proceeds from the disposal of land or other non-current assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the government, but they cannot be used to finance revenue expenditure.

CASH AND CASH EQUIVALENTS

This is cash-in-hand, cash overdrawn, cash held in bank accounts and short-term (for example three months) investments which are readily converted into known amounts of cash.

CASH FLOW STATEMENT

The cash flow statement shows the changes in cash and cash equivalents of the Council during the financial year.

CIPFA

This is The Chartered Institute of Public Finance and Accountancy, the lead professional and regulatory body for local Authority accounting.

COMMUNITY ASSETS

Community assets are assets that the Council intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historical buildings.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This is one of the main financial statements of the Council which records all the income and expenditure for the Council categorised on the basis of standard CIPFA requirements to enable comparisons to be made between authorities.

CONSISTENCY

This represents the concept that the accounting treatment of like items, within a financial year and from one year to the next, is the same.

CONTINGENT ASSET

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control.

CONTINGENT LIABILITY

A contingent liability is either:-

- A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control; or
- A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

CORPORATE AND DEMOCRATIC CORE

The corporate and democratic core comprises all activities that local authorities engage in specifically because they are elected, multi-purpose authorities. The cost of these activities is, thus, over and above those which would be incurred by a series of independent single-purpose, nominated bodies managing the same services. There is, therefore, no logical basis for apportioning these costs to services.

CREDIT LOSS

This is the difference between the cash amounts due to the Authority in accordance with the contract and all cash flows that the Authority expects to receive, discounted at the original effective interest rate.

CREDITOR

The amount owed to individuals or other organisations by the Council for work done, goods received or services provided within the financial year but for which payment has not been made by the end of that financial year.

CURRENT SERVICE COST (PENSIONS)

The increase in the present value of a defined benefit pension scheme's liabilities, expected to arise from employee service in the current year.

DEBTOR

The amount owed to the Council from individuals or other organisations for works done, goods received or services provided within the financial year, but for which payment has not been received by the end of that financial year.

DEFINED BENEFIT PENSION SCHEME

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

DEPRECIATION

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Council's non-current assets during the financial year, whether from use, the passage of time or obsolescence through technical or other changes.

DISCRETIONARY BENEFITS (PENSIONS)

These represent the retirement benefits, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Council's discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Final Statement of Accounts is authorised for issue.

EXPECTED RETURN ON PENSION ASSETS

For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

EXPENDITURE AND FUNDING ANALYSIS

This statement aims to show how annual expenditure is used and funded from resources. The first column, the net expenditure chargeable to the General Fund and HRA balances, shows the true impact of the cost of providing services for the year, excluding accounting adjustments.

FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

FINANCE LEASE

A Finance Lease is one that transfers substantially all the risks and rewards of ownership of a non-current asset to the lessee.

GOING CONCERN

This represents the concept that the Statement of Accounts is prepared on the assumption that the Council will continue in operational existence for the foreseeable future.

GOVERNMENT GRANTS

Grants made by the government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Council. These grants may be specific to a particular scheme or may support the revenue spend of the Council in general.

HERITAGE ASSETS

An asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

HOUSING BENEFITS

A system of financial assistance to individuals towards certain housing costs administered by authorities and subsidised by central government.

HOUSING REVENUE ACCOUNT (HRA)

The HRA is a separate account to the Council Fund, and includes the income and expenditure arising from the provision of housing accommodation by the Council.

IMPAIRMENT

Impairment is a reduction in the value of a non-current asset to below its carrying amount on the Balance Sheet. This is usually due to an event which has substantially reduced the value of the asset, for example, a fire or if an asset has become obsolete.

INFRASTRUCTURE ASSETS

Non-current assets belonging to the Council that cannot be transferred or sold, on which expenditure is only recoverable by the continued use of the asset created. Examples are highways, footpaths and bridges.

INTANGIBLE ASSETS

An intangible (non-physical) item may be defined as an asset when access to the future economic benefits it represents is controlled by the reporting entity. This Council's intangible assets comprise computer software licences.

INTEREST COST (PENSIONS)

For a defined benefit scheme, the expected increase during the financial year of the present value of the scheme liabilities because the benefits are one financial year closer to settlement.

INVESTMENTS (PENSION FUND)

The investments of the Pension Fund will be accounted for in the statements of that fund. However, authorities are also required to disclose, as part of the disclosure requirements relating to retirement benefits, the share of the pension scheme assets associated with their underlying obligations.

INTEREST RECEIVABLE OR PAYABLE

The effective interest rate method is used to measure the carrying value of a financial asset or liability measured at cost less accumulated amortisation, and to allocate associated interest income or expense to the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to equal the amount at initial recognition. The effective interest is adjusted to the actual interest payment or receipt through the Movement in Reserves Statement to ensure only actual interest is charged to Council Tax.

For financial assets and liabilities carried at cost because the effective rate of interest is the same as the carrying rate of interest, the carrying value is adjusted for accrued interest.

INVENTORIES

Items of raw materials and stores a Council has procured and holds in expectation of future use. Examples are consumable stores, raw materials and work-in-progress.

LIABILITY

A liability is where the Council owes payment to an individual or another organisation.

- A current liability is an amount which will become payable or could be called in within the next financial year, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which, by arrangement, is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

LIQUID RESOURCES

Current asset investments that are readily disposable by the Council without disrupting its business and are either:-

- Readily convertible to known amounts of cash at, or close to, the carrying amount; or
- Traded in an active market.

LONG-TERM CONTRACT

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which, together, constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into more than one financial year.

MATERIALITY

The concept that the Statement of Accounts should include all amounts which, if omitted or mis-stated, could be expected to lead to a distortion of the financial statements and, ultimately, mislead

a user of the accounts.

MINIMUM REVENUE PROVISION (MRP)

The minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Council.

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement from the start of the year to the end of the year for all the usable reserves held by the Council which can be used to fund Council costs or reduce local taxation, and unusable reserves.

NET BOOK VALUE

The amount at which non-current assets are included in the Balance Sheet, i.e. their historical costs or current value less the cumulative amounts provided for depreciation.

NET DEBT

The Net Debt is the Council's borrowings less cash and liquid resources.

NET WORTH

The Net Worth is the Council's value of total assets less total liabilities.

NON-DISTRIBUTED COSTS

These are overheads for which there are no direct user benefits and, as such, are not apportioned to services.

NON-DOMESTIC RATES (NDR)

The Non-Domestic Rate is a levy on businesses based on a national rate in the pound set by the government and multiplied by the assessed rateable value of the premises they occupy. It is collected by the Council on behalf of central government and then redistributed back to support the cost of services.

NON-OPERATIONAL ASSETS

Non-current assets held by the Council but not directly occupied, used or consumed in the delivery of services. Examples are investment properties, assets under construction or assets surplus to requirements pending sale or redevelopment.

OPERATING LEASE

An Operating lease is where the ownership of the non-current asset remains with the lessor.

OPERATIONAL ASSETS

Non-current assets held and occupied, used or consumed by the Council in the pursuit of its strategy and in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

PAST SERVICE COST (PENSIONS)

For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to employee service in prior financial years arising in the current financial year as a result of the introduction of, or improvement to, retirement benefits.

PENSION SCHEME LIABILITIES

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measured during the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

PRECEPT

The levy made by precepting authorities on billing authorities, requiring the latter to collect income

from Council Tax on their behalf.

PRIOR YEAR ADJUSTMENT

A Prior Year Adjustment is a material adjustment applicable to previous years arising from changes in accounting policy or from the correction of a fundamental error. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

PROVISION

An amount put aside in the accounts for future liabilities or losses which are certain, or very likely, to occur but the amounts or dates of when they will arise are uncertain.

PUBLIC WORKS LOANS BOARD (PWL B)

A Central Government Agency which provides loans for one year and/or more to authorities at interest rates only slightly higher than those at which the government can borrow itself.

RATEABLE VALUE

The annual assumed rental of a hereditament, which is used for NDR purposes.

RELATED PARTIES

There is a detailed definition of related parties in IAS 24. For the Council's purposes, related parties are deemed to include Central Government, Local Authorities and other bodies, either precepting or levying demands on the Council. Related Parties can also include subsidiary and associated companies, joint venture and joint venture parties and particularly Members and chief officers of the Council.

When considering who is a related party, regard is also taken of transactions involving members of the close family or household of any individual listed.

RELATED PARTY TRANSACTIONS

The Statement of Recommended Practice requires the disclosure of any material transactions between the Council and related parties to ensure that stakeholders are aware when these transactions occur and the amount and implications of such.

REMUNERATION

All sums paid to, or receivable by, an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

RESERVES

Reserves are the accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Council. Some capital reserves, such as the Revaluation Reserve, cannot be used to meet current expenditure.

RESIDUAL VALUE

The residual value of an asset is the net realisable value of an asset at the end of its useful life.

RETIREMENT BENEFITS

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

REVENUE EXPENDITURE

Revenue Expenditure represents the day-to-day expenses of providing services.

REVENUE EXPENDITURE FUNDED BY CAPITAL UNDER STATUTE (REFCUS)

Expenditure which can be properly deferred (i.e. treated as capital in nature), but which does not result in, or remain matched with, a tangible asset. Examples of deferred charges are grants of a

capital nature to voluntary organisations.

REVENUE SUPPORT GRANT

A grant paid by Central Government to authorities, contributing towards the general cost of their services.

SUPPORTED BORROWING

The Council borrows money to fund part of its capital programme. This borrowing is recognised by Central Government in its calculation of formula funding for the Council.

TEMPORARY BORROWING

Money borrowed for a period of less than one year.

TRUST FUNDS

Funds administered by the Council for such purposes as prizes, charities, specific projects and on behalf of minors.

UNSUPPORTED BORROWING

The Council can borrow additional money to the borrowing supported by Government to finance its capital expenditure as long as it is affordable and sustainable. This power is governed by the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code, with which the Council fully complies.

UNUSABLE RESERVES

Unusable Reserves are those reserves used to absorb the differences between the outcome of applying proper accounting practices and the requirement of statutory arrangements for funding expenditure. Such reserves include the unrealised gains and losses in relation to revaluations of property, plant and equipment where the value only becomes available if the asset is sold.

USABLE RESERVES

Specific amounts set aside for future policy purposes or to cover contingencies. They can be used to fund expenditure or reduce taxation.

USEFUL ECONOMIC LIFE (UEL)

The period over which the Council will derive benefits from the use of a non-current asset.

WORK-IN-PROGRESS (WIP)

The cost of work performed on an uncompleted project at the Balance Sheet date.

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Annual Governance Statement 2019/20

Principle	Assurance
Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Assured Page 139
Principle B - Ensuring openness and comprehensive stakeholder engagement	Assured Page 141
Principle C - Defining outcomes in terms of sustainable economic, social, cultural and environmental benefits	Assured Page 143
Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes	Assured Page 145
Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it	Assured Page 149
Principle F - Managing risks and performance through robust internal control and strong public financial management	Assured Page 152
Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability	Assured Page 155

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Introduction

To demonstrate good governance, the Authority must show that it is complying with the core (and supporting) principles contained within the Framework for Delivering Good Governance in Local Government (CIPFA / Solace, 2016). This statement has been prepared in accordance with those principles.

Aspects of the Council's governance arrangements have been strengthened and modernised in recent years across a number of governance themes. The current Council plan has been in place since 2017 and this places an emphasis on our governance structures to enable the outcomes of the plan to be delivered.

<https://www.anglesey.gov.uk/documents/Docs-en/Council/Democracy/Council-Plan/Council-Plan-2017-2022-Plan.pdf>

In addition, over the last few years six key themes have been developed by staff and management to support our aims and objectives –

1. Professional and Well Run

We are committed to developing a democratic and professional partnership that will deliver effective, strong leadership and establish the necessary professional, and organisational behaviours required, to secure improvement

2. Innovative, Ambitious and Outward Looking

We will establish an environment and culture that encourages and nurtures, innovative and creative, ideas and solutions looking beyond the organisation to seek ambitious solutions that benefit our customers, citizens and communities

3. Customer, Citizen and Community Focused

We will actively engage with communities, citizens and customers, seek their views, understand their needs and respond accordingly fully explaining and communicating our actions

4. Valuing and Developing our People

We will value and develop our people, so that they are skilled and motivated, and always professional in the way that they work. We will recognise success, innovation and a commitment to providing exceptional customer service

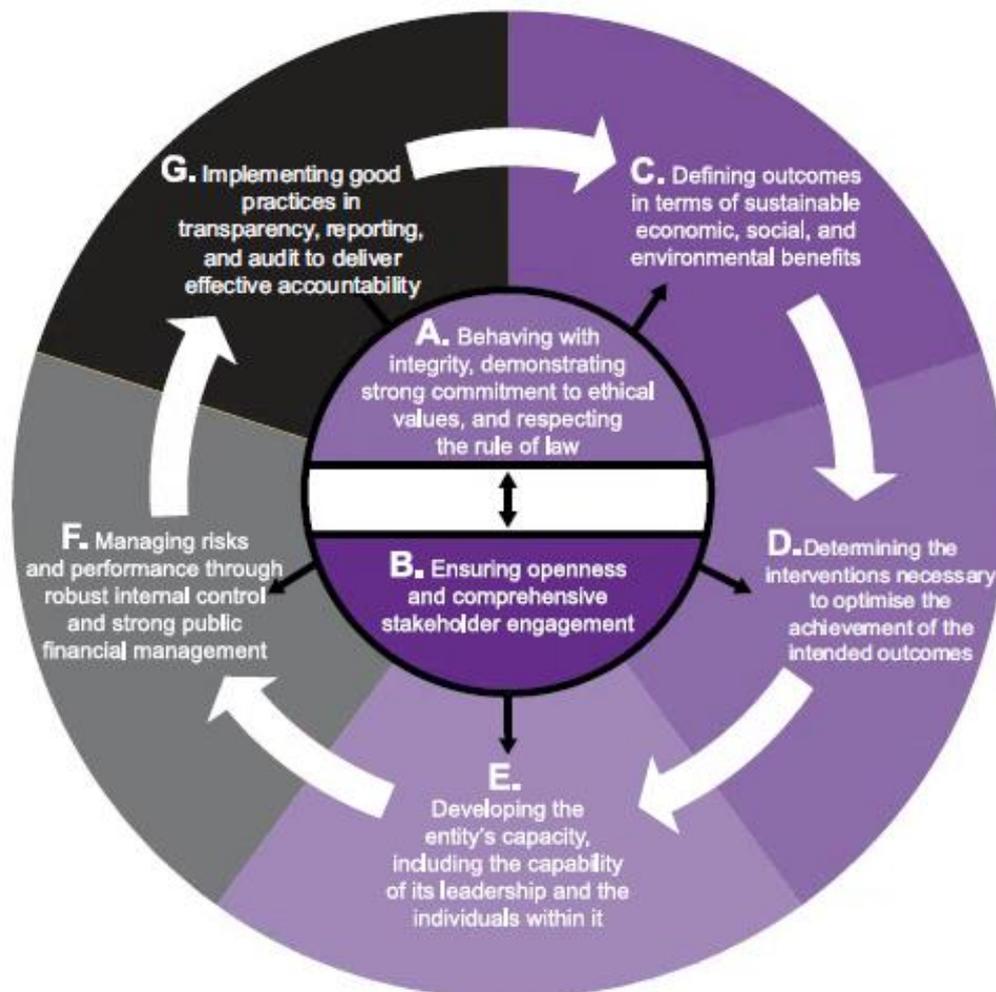
5. Committed to Partnership

We understand that we cannot deliver the required transformation on our own and are committed to working in partnership with public, voluntary and private sector partners in order to deliver sustainable growth and development

6. Achieving

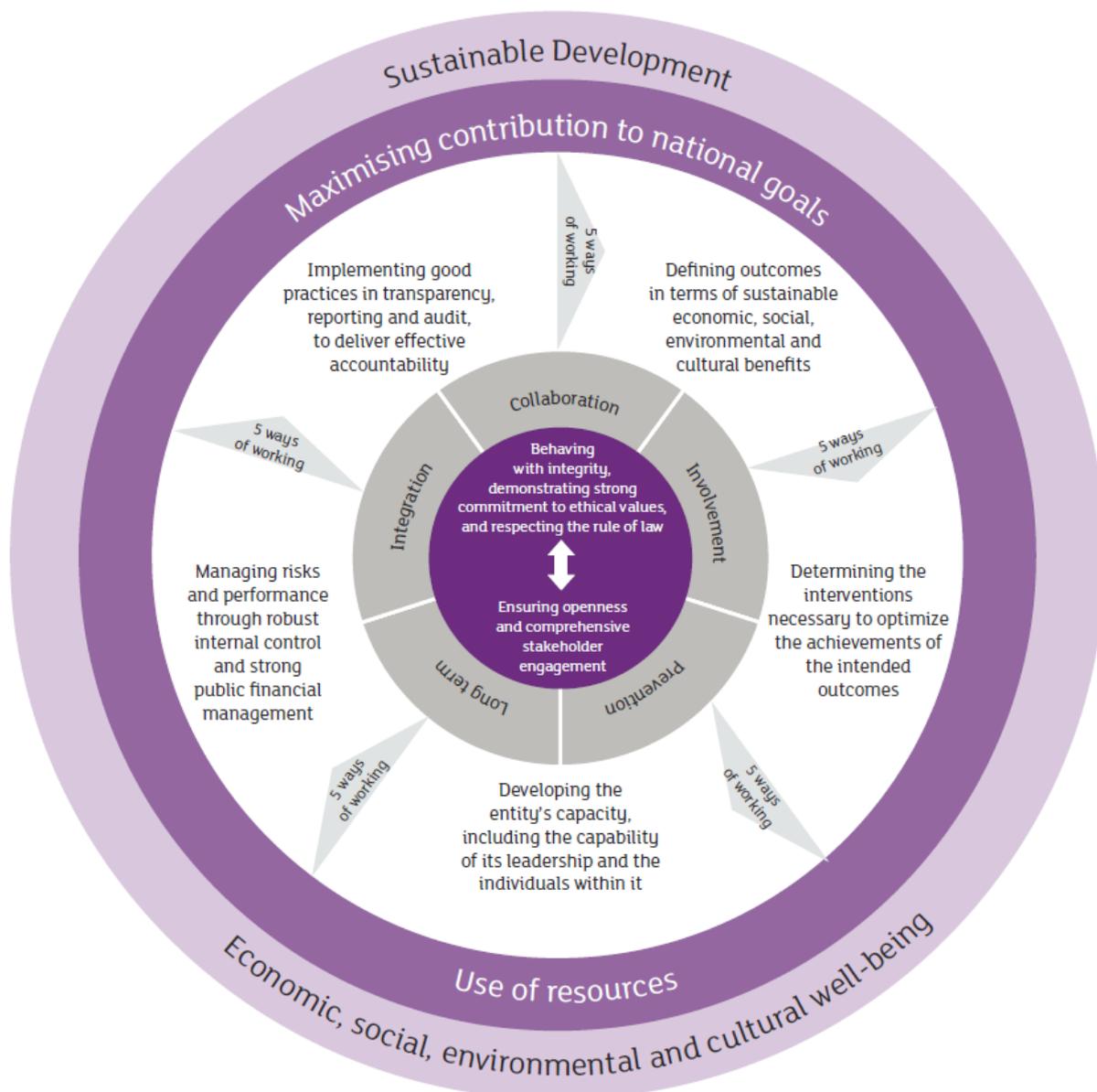
We are results and outcome orientated and strive to improve our performance in the important areas of our work.

These can be aligned to the seven core principles in the CIPFA/SOLACE framework. These are contained within 'Delivering Good Governance in Local Government (Wales) 2016 that have been adapted for local government purposes:-



Source: *Delivering Good Governance in Local Government: Framework (2016 Edition)*

The Council aims to achieve good standards of governance by adhering to the seven core principles above and also adhering to the Wellbeing of Future Generations (Wales) Act 2015 principles which together form the basis of the Council's Code of Corporate Governance.



Source: *Delivering Good Governance in Local Government Guidance Notes for Welsh Authorities (2016 Edition)*

We have sought within this Annual Governance Statement to show how all the above key themes and principles have been central to all our endeavours during 2019/20. It is important to note, however, that this year's statement is drafted at a time when normal, day-to-day governance structures and systems have been disrupted due to our response in tackling the COVID-19 pandemic.

This rapid response (overnight) during the fourth week of March involved new ways of working in dealing with a very uncertain future which has been realised through the emergency governance framework that was established and the commitment and diligence of the workforce and partners.

This was led by our Senior Leaders through the establishment of the Emergency Management Response Team and certain delegated powers which were delegated to the relevant Officers and elected Members.

Scope of Responsibility

The Isle of Anglesey County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Council also has a duty under the Local Government (Wales) Measure 2009 to make arrangements to secure **continuous improvement** in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk together with adequate and effective financial management.

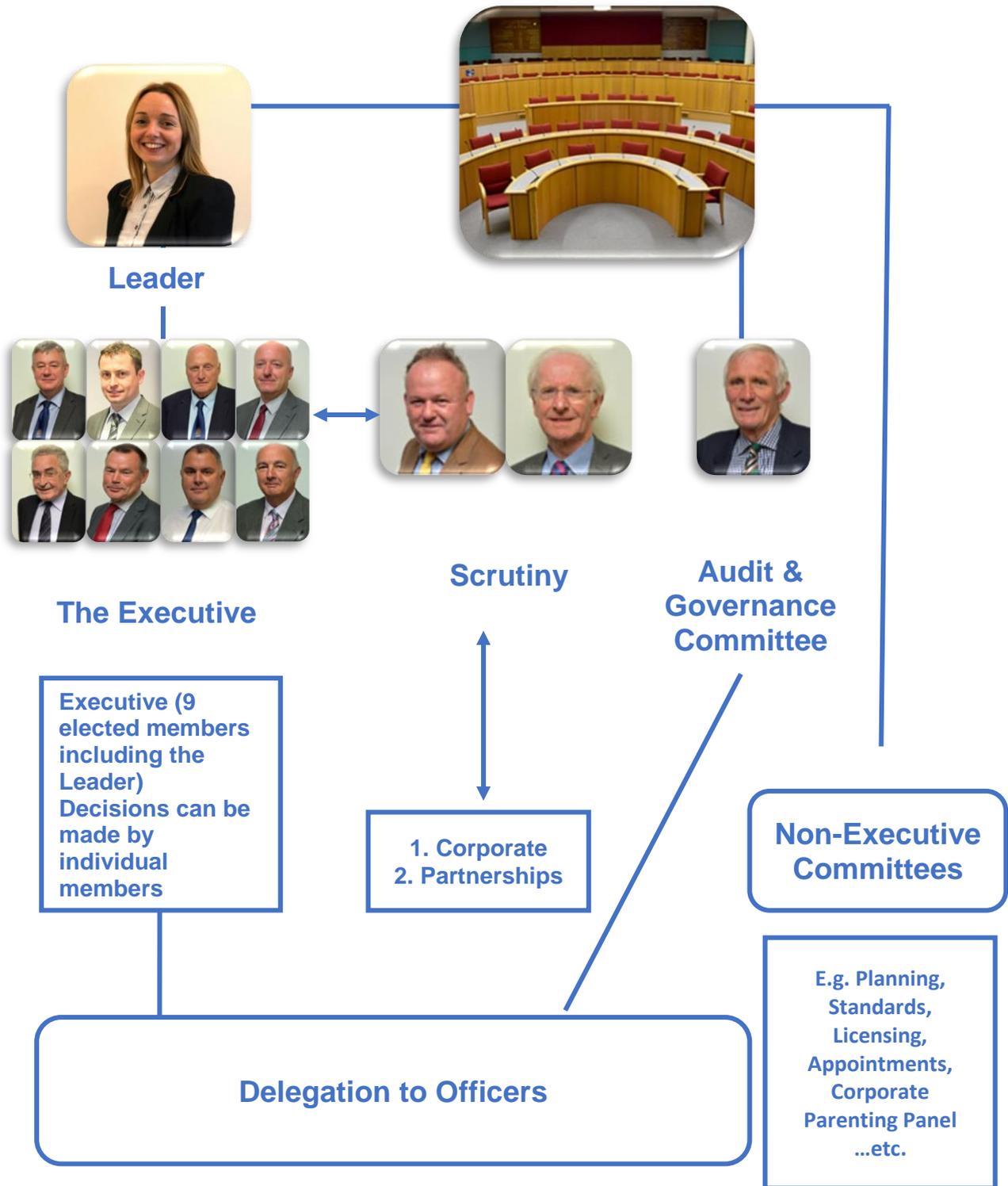
The Council has approved and adopted a local code of corporate governance that is consistent with the principles of the CIPFA/SOLACE Framework, Delivering Good Governance in Local Government. This local code is to be revised during 2020/21.

This statement explains how the Council has complied with the code and meets the requirements of non-statutory proper practice encouraging the publication of an Annual Governance Statement. It also meets the requirement of regulation 4(2) of the Accounts and Audit (Wales) Regulations 2014 in relation to the publication of a statement on internal control.

The Governance Framework

The governance framework comprises the systems, processes and cultural values by which the Authority is directed and controlled. It also guides the activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can only provide reasonable and not absolute assurance of effectiveness. A broad overview of structure of IoACC Political Management arrangements can pictorially be represented as follows –



The governance framework has been in place at the Council for the year ended 31 March 2020 and remains applicable up to the date of the approval of the Statement of Accounts. Where any new arrangements have been introduced during the year this has been noted.

The public meetings for 2 non-executive committees were cancelled at the end of March due to the Coronavirus pandemic 'lockdown' and the introduction of the Health Protection (Coronavirus Restrictions) (Wales) Regulations 2020 and the Coronavirus Act 2020.

The Council Leader has exercised her executive decision-making powers since the outbreak of the crisis. Members were briefed on the Coronavirus Act and its implications for the Council’s statutory obligations and it had not been possible to conduct business as usual from a Committee perspective because of this.

The introduction of the Local Authorities (Coronavirus) (Meetings) (Wales) Regulations 2020 in May reduced the legal obligations on local authorities in relation to meetings, while allowing Members to attend meetings remotely. The first remote meeting of the Planning and Orders Committee was held on the 20th May by utilising Microsoft Teams and a recording of the meeting has been made available on the Council’s website. Members and officers have quickly adapted to the new technology and we are working on developing solutions for live streaming and translation services.

Analysis of the Governance Framework 2019/20

The current framework as it relates to each of the seven Corporate Governance principles is described in the interlinked topics as outlined and is available at:

<https://www.anglesey.gov.uk/en/Council/Council.aspx#as?folderIds=2864,3428>

The following summary focuses on the work to develop and strengthen the framework and outlines areas of weakness identified during the 2019/20 financial year.

Principle A	
Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	
Related Key Theme:	Professional and Well Run
Conclusion of Self-Assessment:	Assured – The County Council has clear, transparent decision-making processes which incorporate strong ethical values and are lawful. The codes of conduct set out expectations for behaving with integrity.

How we do this:

The Six Key Themes incorporated within the revised Council Plan for 2017-22 set out the Council’s values and these are embedded in the Council’s transformational activity and future vision for delivery. As a result, the Six Key Themes continue to underpin the corporate way of working and the importance of good governance is emphasised in the Council Plan.

There are a number of codes of conduct and protocols in place as part of the Constitution to ensure high standards of conduct and behaviour. There is a Policy for the Prevention of Fraud and Corruption in the Constitution with subsidiary plans in place. This includes the Officers’ Code of Conduct, which is statutory. Local Guidance has now been published and circulated to all staff during 2019/20.

The Monitoring Officer acts as the lead officer for the Standards Committee (SC), with seven of its nine members external appointments, and the remainder being Elected Members. The Committee develops and supports independence and objectivity rather than political governance and achieves this in the following ways:

- Chairman's Annual Report to Council
- Work Programme approved annually by the Council
- Four quarterly meetings and as many extraordinary meetings as are necessary to deal with referrals from the PSOW and applications for dispensations
- Dealing with any matters referred under the Local Resolution Protocol
- Dealing with any Public Services Ombudsman Wales local view requests
- Training and development arranged by the SC and/or undertaken by the SC.

The Standards committee forum also undertakes annual learning sessions and a Report on the Standards Committee Forum and learnings from the Forum is received by the Committee itself. Examples of the types of learning achieved as part of this forum during the year are noted as follows –

- Presentation by the PSOW
- Lessons from the Committee on Standards in Public Life's Review of the Code of Conduct in England
- Joint Standards Committee discussion on creation of a joint regional Standards Committee/s
- Discussion regarding WAO Reports in relation to two community councils within the IOACC.
- Review the three registers of interests of all elected and co-opted members of the County Council and report individually to those members and collectively on findings and recommendations for improvements and sharing good practice.
- Supporting the Standards Committee Chair in dealing with local resolution complaints.

In addition to the above, and a continuation from 2018/19, there is joint working between the two management teams through the Penaethiaid (Heads of Service) meetings and members of the Senior Leadership Team who act as link officers with Heads of Service to ensure clear communication on how strategic/corporate priorities are being implemented within Services.

With the appointment of the new Chief Executive during the year, further strategic forums have been established between Senior Officers and the Executive to provide strategic direction on a number of work-streams. These include strategic Senior Leadership Team meetings every fortnight together with strategic Executive discussions as and when required.

Principle B

Ensuring openness and comprehensive stakeholder engagement

Related Key Theme:	Customer, Citizen and Community Focused
Conclusion of Self-Assessment:	Assured – The Council exists to serve its residents and is dependent on a wide variety of stakeholders for working effectively in partnership. Engagement and consultation mechanisms are in place.

How we do this:

All **Executive** and Council meetings are held in public (with the exception of exempt items) and all papers are published on the Council website. All reports to committees are accompanied with a cover report, which details a summary of the report, the recommendations seeking approval and a rationale for why that recommendation has been made, in order to show the reasoning and evidence for decisions.

A Combined **Forward Work Programme** for the Executive and Scrutiny Committees is publicly available and published on the Council's website. There are clear timescales for the submission, publication and distribution of reports.

As in previous years and in the current financial climate the Council recognises that it needs to work closely with its key partners in this area of work to avoid duplication and utilise its resources effectively.

There is evidence of good engagement practice at service level which demonstrates how the Council shares its decisions, and there is a growing culture of trust and understanding with its citizens, e.g.

- Consultation on Budgets
- School Modernisation – Llangefni Area

However, the Council continues to recognise that there is always room for further improvement in widening the cohort of citizens who actively engage (including hard-to-reach groups) and the standardised and simplified process for engagement across the public and third sector has become operational.

The **community engagement model** is being used to improve the corporate approach to community engagement. The model has since its inception been tailored for use in different engagement and consultation work. This model has been signed off by the revised **Engagement & Consultation Board** led by the Deputy Chief Executive and with membership from external organisations such as Medrwn Môn.

The Engagement and Consultation Board provides a cross-council approach to engagement and stakeholder involvement which reduces duplication, ensures a collective approach to engagement and improves our area-based intelligence as a Council.

To assist the Council to contribute to its theme of achieving '*excellent customer, citizen and community focus*' (Six Key Themes), the **Transforming Business Processes Board** was established in January 2019 to replace the Customer Service Excellence Board. It is responsible for all aspects of Customer Service and monitors our customer experience improvements for our residents with the focus being placed in the first instance during 2019/20 on:

- Identifying and implementing priorities related to the implementation of the Digital Strategy as outlined by the *Penaethiaid* thereby making it easier for residents to engage with the Council virtually through an increased number of digital channels

The **Customer Service Charter** was agreed in 2015 following consultation with front-line stakeholder groups, officers, Elected Members, staff and trade unions. It continues to outline our promises to the customer on how we will deal with their requests and also outlines the expectations we have of our service users to ensure that a clear understanding is established at the outset. The values embraced in the Charter include 'putting the customer first' and demonstrating a 'can do' attitude. In accordance with its language policy, the Council is committed to ensuring that service provision is available in the chosen language of the service user and under the Transforming Business Processes Board the requirement to update the strategy as a collective whole is a key aim for 2020/21. The output will need to take into consideration the 'new world' by which we'll be operating as a result of the current pandemic and its impact on social / face-to-face activity.

The webcasting of meetings has demonstrated a positive example of how Anglesey has progressed its openness and customer / citizen focus by webcasting Executive, Planning & Orders and Council meetings. This continues to be the case and it also adds to the transparency of decision-making and involves a much wider audience for debates. This is an effective example of the channel shift agenda and the Council's continuous drive to address democratic renewal and ensure a greater degree of stakeholder involvement.

Annual reports on their work were published by Scrutiny as well as the Standards and Audit and Governance Committees. Since June 2014, individual Elected Members have also published annual reports thereby emphasising the accountability and openness of the Council's work.

There are longstanding arrangements for engaging with employees: with Trade Unions through the Local Joint Consultative Committee and less formal meetings, and communication with staff generally through e.g. monthly staff bulletins. Managers and staff have been consulted and involved in a number of decision-making matters as part of the developing agenda.

A **Concerns and Complaints Policy** is operational and provides an emphasis on; Customer Care, the systematic recording of all concerns, early resolution, and the demonstration of lessons learnt and the implementation of improvements. The Policy is based on that of the Public Services Ombudsman for Wales as required by the Welsh Government.

Statistical information about service complaints is published monthly on the Council's website and forms part of an annual report to the Audit and Governance Committee which also deals any complaints dealt with under the Whistleblowing Policy.

Principle C	
Defining outcomes in terms of sustainable economic, social, cultural and environmental benefits	
Related Key Themes:	Customer, Citizen and Community Focused Committed to Partnership Achieving
Conclusion of Self-Assessment:	Assured – The County Council works with communities to plan outcomes. In setting policies and strategies, the County Council takes a long-term view about outcomes, taking into account sustainable economic, social, cultural and environmental benefits.

How we do this:

The Council's adopted Plan 2017-22 (September 2017) guides the work of the Council and provided certainty of direction for the local area during 2019/20.

It is a Plan which describes priorities succinctly and clearly and explains how the priorities reflect the views of the citizen and is aligned to the ever-developing medium term financial strategy. This highlights the resources which are required to realise the current Council Plan. The Council Plan provides the framework that helps shape budgets, and against which the Authority can assess and account to the community on the level of progress made against targets set, and inform them about areas for further improvement. The **Medium Term Financial Strategy** is also reviewed annually, in line with other annual corporate priorities which are defined in terms of the Annual Delivery Document and demonstrates succinctly our aims in terms of economic, social, cultural and environmental benefits. One area which has been wanting is a corporate climate change strategy to provide future direction on environmental matters. This will be realised during 2020/21.

All services produce an annual **Service Delivery Plan** that shows clearly how they contribute towards achieving our corporate priorities. All service plans contain measures to evidence how actions will make a difference. As indicated, service plans are reviewed annually and are also subject to regular monitoring through the production of a quarterly scorecard – which looks at how services are delivering on the priorities in their plan. The scorecard is reported to the Senior Leadership Team, and is considered by Scrutiny and The Executive which is transmitted live via webcasting.

Services are also subject to six-monthly **service reviews** – looking specifically at the budget and expenditure in June and on performance and outcomes between November and January. Members of the Senior Leadership Team and elected members, from both

the Executive and Shadow Executive, rigorously challenge service performance at the service review sessions. Actions to address issues or improve performance against set targets are then agreed at the meetings for implementation over the next 12 months.

Partnership and collaboration continues to play an integral part of the way the Council seeks to achieve its ambitions and its corporate agenda. For a 'small' Council it is an important means of building capacity and is fundamental to our approach of achieving shared priorities. We believe that successful partnership working is essential to the delivery of better services to our customers and a successful Anglesey. Improving the well-being of our citizens under the new legislation will increasingly depend on us working in partnership with others.

The Council continues to actively engage in a number of strategic partnerships at national, regional and local level. The criteria and reasoning for entering into partnerships has been reviewed recently as part of the partnerships policy and guidance, and still stands.

Anglesey Social Services is committed to partnership working on both a local, sub-regional, regional and national basis in order to deliver outcomes which are of benefit to citizens and communities. This has been recognised as a strength in external inspection reports for us to build on. Both Children and Adult Services remain actively involved in the All Wales and the North Wales agendas to improve the delivery of social services through a collaborative approach.

Governance arrangements are in place via the **North Wales Social Care and Wellbeing Improvement Collaborative (NWSWIC) and the Regional Partnership Board**. NWSWIC has in place a comprehensive programme of improvement through collaboration focused on the requirements under Part 9 of the **Social Services and Wellbeing (Wales) Act 2014**. This partnership ethos can be further evidenced through the collaboration of the Council's Social Services with Betsi Cadwaladr University Health Board (BCUHB) via the Integrated Delivery Board (IDB).

The **Welsh language** is central to the life of the island of Anglesey and is part of its rich cultural heritage. To promote the Welsh language strategically at a community level, the Council has established a Language Forum in collaboration with its key partners. Its role includes identifying opportunities for collaborative projects such as Arfor, assisting to assess the impact of large-scale economic projects on the Welsh language and scrutinising the work of the Council in promoting language issues.

The Council has adopted a **Welsh language strategy** with the aim of increasing the use of the Welsh language within our communities to 60% by 2021. This, together with meeting the expectations of the Welsh language standards provides a robust framework for the future partnership work to embed the use of Welsh across services and provision within communities.

The Council is currently in the process of developing a climate change action plan which will guide decisions related to climate change over the forthcoming term. It is being developed via a cross-council approach under the leadership of our Deputy Chief Executive and seeks to learn from and build on the climate benefits created by many in the workforce.

Principle D

Determining the interventions necessary to optimise the achievement of the intended outcomes

Related Key Themes:

Innovative, Ambitious and Outward Looking

Conclusion of Self-Assessment:

Assured – The County Council takes decisions on interventions based on its clear vision for services, the way it engages with communities, regulators and practical expertise of professional service officers. This combination leads to optimising the achievement of intended outcomes.

How we do this:

The Isle of Anglesey County Council has an approved **Constitution** that sets out clearly how the Council operates and how decisions are made and procedures need to be followed to ensure efficiency, transparency and accountability.

The arrangements for the delegation of Executive decisions to individual Members are now well established across the Authority.

Members and the public have had the full benefit of access to committee papers and supporting information for a number of years.

Policy approval and decision-making is undertaken by Elected Members, the meetings of which are open to the public except where exempt matters are being discussed under Schedule 12A Local Government Act 1972.

The Council meets a minimum of four times a year. It approves overall policies and sets the budget each year. The Council agrees the form of the Authority's Committees (in accordance with the provisions of the Local Government (Wales) Measure 2011 where appropriate), appoints the Leader of the Council (who in turn appoints the Council's Executive) and carries out all other functions assigned to it under the Constitution.

Political governance within the Authority has been embedded since the last elections and a cross-party ruling group of 21 members now leads the Council. Specific changes were made to the Constitution, such as the introduction of a four / five-year term for the Leader of the Council, which has enabled political stability.

These foundations have created a structure which allows for effective political governance. The evidence from the last few years demonstrates a functioning and effective decision making process, with appropriate mechanisms for assurance and improved performance.

The approach incorporates **Council, the Executive, the Audit and Governance Committee, Democratic Services Committee, Planning & Licensing, Scrutiny, and the Standards Committee.**

The **Council** has responsibility for the policy and budget framework. Key governance reports are matters for Council, and Council agrees the annual revenue and capital budget.

The **Executive** is the key decision-making body and consists of the Leader (who takes the Social Services portfolio) and eight further Portfolio Holders, who take responsibility for the following portfolios:

- Education, Libraries, Youth & Culture
- Planning and Public Protection
- Service Transformation & Welsh language
- Finance
- Corporate
- Highways, Property and Waste Management
- Major Projects & Economic Development
- Housing & Supporting Communities.

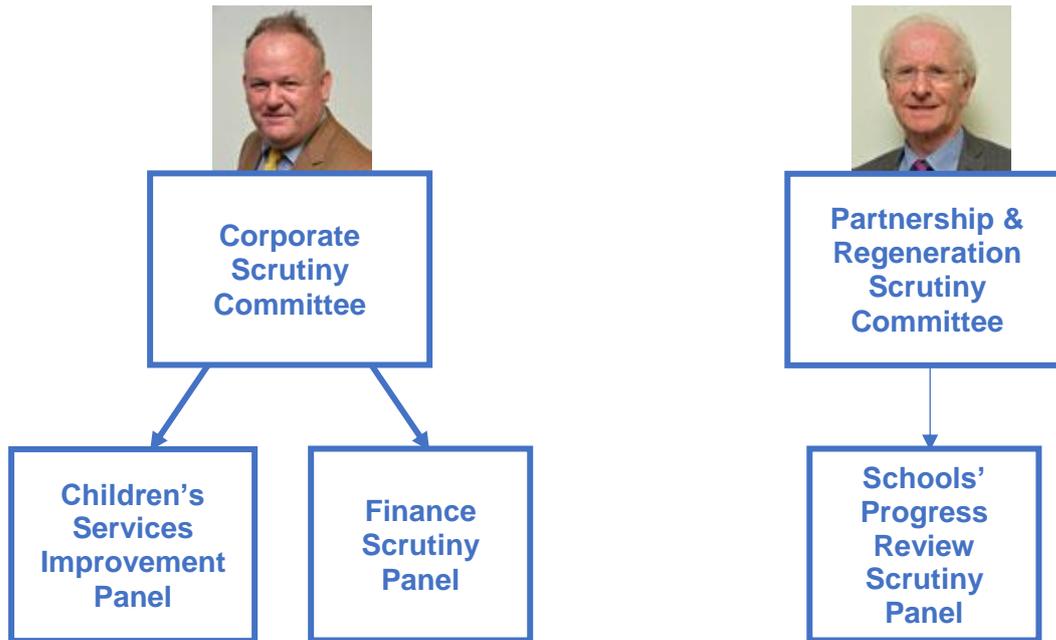
The Audit and Governance Committee is a key component of the Authority's governance framework. The committee has two lay co-opted Members which serves to widen its independent knowledge and experience base. These appointments are appointed for the term of the current Council.

The Committee provides independent assurance to the Council and its statutory officers on; the adequacy of the governance and risk management frameworks, the internal control environment, and the integrity of the financial reporting. By overseeing internal and external audit and other regulators it makes an important contribution to ensuring that effective assurance arrangements are in place.

The Committee undertakes an annual self-assessment on its performance which is reported to Council and informs its forward work plan.

The **Democratic Services Committee** meets on a quarterly basis and is responsible for reviewing the adequacy and support for Members which covers: Member development, staffing resources and facilities. The Chair of the Committee has been issued with a specific job description, and members of the Committee have a separate job description setting out roles and responsibilities. The Chair also acts as the Member Development Champion. Scrutiny committees form part of the way in which the Council operates. Their prime role is to hold the decision-makers to account, drive improvement, act as the voice of the community and play a role in policy development and review. In ensuring robust and effective decision-making, Member scrutiny makes a crucial contribution to effective governance arrangements.

The scrutiny function at the Council continues to be delivered through a structure comprising of two parent committees and three panels:-



The focus of the work of the **Corporate Scrutiny Committee** is to provide assurance regarding:

- performance and delivery of all services
- ensure the Council achieves its corporate and service objectives
- support and make recommendations for continuous improvement.

The primary focus of the **Partnership and Regeneration Scrutiny Committee** is to ensure that the interests of the citizens of the Island are promoted and that best use is made of Council resources, in line with the Council's priorities, that demonstrate added value from working with partners. The remit of the committee includes regional and national arrangements as well as local arrangements. The committee is also the nominated Crime and Disorder Committee as required under the Police and Justice Act 2006 and the designated committee for scrutinising the work of the Ynys Môn and Gwynedd Public Services Board.

We have recently adopted a development programme which provides the framework to prioritise a number of key themes. Over the past 12 months or so our focus has been on:

Reinforcing a "whole Council" approach to Scrutiny	Improving the impact of Scrutiny	Building capacity & capability for effective Scrutiny	Improving public engagement in our Scrutiny work	Wellbeing of Future Generations and Scrutiny
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Members represent Scrutiny on various internal Boards and review groups, the purpose of this being to promote inclusion, add value to the discussion and to report back to their Scrutiny Committee on progress and to raise areas which may require formal Scrutiny. Each of the two Scrutiny Committees reports their activity to the Council at its annual meeting.

In order to drive the change agenda and deliver the Council's Plan, a Programme Management framework is in operation.

Two **Corporate Transformation Programme Boards** are as follows -

1. Corporate Governance Programme Board, and
2. Transforming Services Programme Board.

These have an overview of a number of high priority projects which the Council is committed to achieving and are responsible for setting a direction for them.

Each of the Corporate Transformation Boards includes representatives of both Scrutiny Committees and the Executive, providing an opportunity to identify areas where the Members' role can add value either on the Boards themselves or through the Scrutiny process.

The corporate method of managing projects and programmes is maturing year-on-year as a result of strengthening our Governance arrangements. Welsh Government has identified good practice in some of our programmes and other projects and programmes have gained national success and UK-wide recognition over the past few years.

Examples (non-exhaustive) of intended outcomes which have been realised through this framework include –

- Confirming our position as a good performing Council in Wales
- The opening of Ysgol Santes Dwynwen, Newborough
- The continued realisation of nearly 70% household waste being recycled annually
- The opening of the revamped Market Hall, Holyhead with the new town library

Further work is being progressed across different programmes and projects but the COVID-19 pandemic has brought a halt to day-to-day proceedings in a number of areas due to the fact that a number of staff members have been re-directed to projects and programmes developed to deal with the outbreak and ensure the residents of Anglesey and Council staff are protected and being kept as safe as possible whilst also being supported accordingly.

The way by which the Council has reacted to the emergency situation of COVID-19 has been supported by –

- Robust governance for its emergency response
- Robust and effective IT provision which underpins the current emergency response arrangements
- An effective process for gathering, analysing and sharing local, regional, and national sources of information to enable informed local decision-making
- Effectively engaging and collaborating with regional emergency response structures and arrangements in order to learn about good practice from other authorities and emergency response organisations

The above demonstrates that the Council has appropriate systems and structures in place to determining the interventions necessary to optimise the achievement of the intended outcomes even at times when it is faced with an international emergency situation such as COVID-19. It also outlines how the internal governance will be utilised to inform, influence, monitor and drive forward the Authorities activities to ensure the Island recovers from the emergency.

Principle E	
Developing the entity’s capacity, including the capability of its leadership and the individuals within it	
Related Key Themes:	Valuing and Developing our People
Conclusion of Self-Assessment:	Assured – The County Council has the appropriate structures and leadership in place and people with the right skillsets and qualifications to ensure it is operating efficiently and effectively to achieving intended outcomes. There are clear policies and strategies in place to demonstrate that it has the capacity to fulfil its mandate and that management has the operational capacity.

How we do this:

The Council has achieved the **WLGA Charter for Member Support** in recognition of the work that we have undertaken to provide a high standard of support to Members to undertake their diversity of roles ranging from that of community leader, to their special responsibilities within the Council.

In addition, most of the Members have undertaken professional development reviews (PDRs) and training needs have been identified from these. Whilst still in its infancy at Anglesey, such a development is seen as key to enabling Members to be more effective in their role. This includes independent Members of the Standards Committee whose performance and objectives are reviewed by the Standards Committee Chair. Member training is monitored by the Council’s Democratic Services Committee.

The Council has continued over the past 12 months to use the now well-established all-member briefing sessions on major developments / key strategies and budget proposals. This has proved useful in increasing the wider appreciation and understanding of different initiatives prior to further debates and scrutiny in public forums.

The Council’s People Strategy continues to support the Council’s vision and provides a framework for moving our people management forward.

The People Strategy has five key priorities:-

- Recruiting and retaining the best (innovative, ambitious and outward looking)
- Inspiring service excellence (customer/citizen and community focused)
- Building Organisational effectiveness (professional and well run)
- Engaging, developing and managing our Talent (valuing and developing our people)
- Developing the skills and capacity of our workforce (valuing and developing our people).

The **Managers' Forum** continues with revised vigour and is now led by the Head of Children's Services in collaboration with Officers. As part of their activity, individuals across the Authority have been given an opportunity to work on corporate projects and strategies.

The [staff awards ceremony](#) continued and recognises, celebrates and promotes the achievements of Council staff. Every day our staff work hard to deliver public services for the people of Anglesey, and the staff awards are an opportunity to showcase good work and demonstrate how much we value our people. There are six categories of award which mirror the '*Six Key Themes*'. During 2018 the ceremony was expanded to include staff recognition to include Welsh learner of the Year, the Leader Award, The Executive's award and the Chairman's Award.

During 2019 a staff survey was undertaken and we're awaiting the publication of the results. This has been postponed as a result of the Council's response to the Coronavirus pandemic.

The Council has a strategic **Equalities Plan 2020-24** adopted by the Executive in March 2020, which highlights our commitment to equality, both in the provision of services and as a major employer, and to the elimination of unfair and unlawful discrimination in all our policies, procedures and practices. Progress on its key priorities are included in its annual monitoring report to the Equalities Commission and the Council is a key member of the North Wales Equalities network.

Internal engagement is essential in developing a 'Team Môn' culture and there is a need to further refine and review post the pandemic using the learning acquired to become even more effective and efficient with our **Internal Communication Framework** to enable and secure a greater level of participation from Officers at all levels within the Council. The views and opinions of staff and Members in contributing to the corporate agenda are welcomed and valued. Current opportunities include:

- Monthly Penaethiaid meetings
- Quarterly Managers' Forum
- Member Briefing Sessions
- Thematic Workshops (i.e. budget)
- Service Management Meetings
- Annual Service Reviews
- Team Meetings
- One to One Supervisions
- Employee appraisals
- Staff suggestion schemes
- Use of [Y Ddolen](#) to keep abreast of corporate initiatives

- Use of Medra Môn as a newsletter

Whilst corporate internal communication has improved significantly under the leadership of the revised SLT under the new Chief Executive – it is still felt that this is an ever-improving area of work which is developing under the opportunities afforded by improvements in technologies. The introduction of MS Teams and YouTube presentations are an example of this and have been instrumental in the way the Council has been able to conduct its business during the said pandemic.

The regular informal briefing sessions for Members (outlined previously) enables a better understanding of specific work areas and allows them to prepare for informed scrutiny and decision-making.

We are a fully bilingual Council and a high proportion of our staff and most Members are first language Welsh speakers. All corporate communications are therefore produced bilingually, providing staff and Members with the ability to communicate in the language of their choice. Non-fluent Welsh speakers are supported to improve their Welsh language skills in an inclusive environment.

Principle F

Managing risks and performance through robust internal control and strong public financial management

Related Key Themes:

Professional and Well Run

Conclusion of Self-Assessment:

Assured – The Council has an effective performance management system that facilitates effective and efficient delivery of services. Risk management and internal control are integral and important parts of the performance management system and are crucial to achieving the outcomes of the Council Plan.

How we do this:

A Performance Management Framework is in place which starts with the medium-term Council Plan (the current plan is for the period 2017/2022 as mentioned above) and each subsequent year with an Annual Delivery Plan. These set out what the key priorities of the Council are and what it hopes to achieve. The framework also includes performance management reports to identify whether the Council is achieving its planned objectives. These reports include quarterly scorecards, half-yearly challenges to Services and regular reports to the Executive and to Scrutiny.

The Annual Delivery Plan for 20/21 had to be delayed due to the Coronavirus pandemic and will now be reported later in the year. The same can be said for the Corporate Scorecard for Quarter 1 20/21 which was not produced due to the redeployment of staff to respond to the pandemic.

The Performance Framework continues to evolve and to focus on self-assessment by Heads of Service, and on the key areas of risk and transformation. During 2019/20, a series of Service Reviews was undertaken which covered –

- (i) Efficiencies and Service Budgets (June-July 2019)
- (ii) Performance (November 2019 - January 2020).

The Performance Review concluded that there was evidence throughout that there was continuous improvement being shown by Services This has been achieved as a result of the consistent commitment and buy-in of The Executive and Elected Members, Senior Leadership Team and Heads of Service to drive improvements and objectives.

The **Risk Management Policy and Framework** review in 2017 concluded that whilst work remains to be done to fully embed risk management throughout the Council, progress has been made and is continuing. This continues to be the case currently in 2020 and can be evidenced in the way the County Council has co-ordinated its efforts in dealing with the COVID 19 pandemic.

Risk management software was implemented during 2018/19, which has helped improve the effective management of the Council's risks by improving the recording, assessment, monitoring and reporting of risks and further embedding risk management

into the Council's processes. In addition, the software provides the facility to record the 'three lines of assurance', which has improved the assurance provided to those charged with governance that the Council's risks are being effectively managed.

SLT continues to review the **Corporate Risk Register** on a quarterly basis. Services are expected to update their risk registers quarterly with any "red" or "amber" risks escalated to SLT to be considered for inclusion on the Corporate Risk Register.

During 2019/20, the Audit and Governance Committee has been presented with updates on the Corporate Risk Register.

Since the outbreak of the pandemic, the Emergency Management Response Team (EMRT) have considered the evolving risks associated with the pandemic and is managing it effectively to mitigate with the continued health of citizens, staff and elected members utmost in their decision-making.

The Executive approved the **Medium Term Financial Plan (MTFP)** for the period 2019 to 2021/22 in September 2019. The MTFP identified the potential savings required over the three-year period and set the strategy for the 2019/20 budget. The annual budget was approved by the full Council at its meeting in March 2020. The requirement to implement budget cuts and efficiencies was a pivotal part of the budget setting and the updated plan identifies the continued need to focus on budget reductions and identifying further efficiencies over the next three years in order to ensure the future financial stability of the Council, especially in light of recent developments and having to cope with additional expenses as a result of our approach to dealing with the worldwide pandemic.

The Budget Planning Process was undertaken from June 2019 to March 2020. This included consultation with statutory groups, including the Schools Forum, Town and Community Councils and businesses, as well as other stakeholders. The comments made during the consultation process were considered by the Executive as they drew up their final budget proposals and it did result in some budget proposals being withdrawn or amended.

The Council has continued to develop and embed structures, systems, processes and supporting arrangements to ensure that they support the demands of a 21st Century Local Authority. Formal arrangements are in place for the management of performance, finance, programmes and contracts, which contribute to the upholding of key elements of governance. These include -

- **Quarterly financial reports** (Revenue and Capital)
- The Council's Treasury Management arrangements follow professional practice and are subject to regular review by the Audit & Governance Committee, the Executive and the Full Council.
- Internal Audit's self-assessment against the Public Sector Internal Audit Standards (PSIAS) shows that the service is being delivered to the required standard. The Action Plan from the PSIAS External Quality Assessment has been fully implemented.

- The **procurement strategy** has now been rolled out across the Council which is key to the continuing success of the Authority's procuring of products and services. The Procurement team has developed and put in place new policies, a contracts management strategy, as well as reviewing the contract procedures. Training on the strategy and contract procedure rules has taken place over the year resulting in better compliance.
- The **Annual Certificate of Compliance** confirmed that the Council complied with its responsibilities relating to financial reporting, use of resources, improvement planning and performance management.
- The Council continued to make progress on **information governance** during the year. Under the leadership of the appointed Senior Information Risk Owner (SIRO), the Corporate Information Governance Board (CIGB) continues to be in place. This Group is an appropriate forum for addressing information governance issues. It receives reports on how well each Service is performing in key information management areas. It assesses risk, and recommends and monitors remedies to mitigate risks to information assets owned by the relevant Heads of Service. The CIGB may report matters directly to the Council's Senior Leadership Team.

The SIRO considers that there is significant documented evidence to demonstrate that:

- the Council's arrangements for IG and data protection compliance are reasonably effective;
- the Council has successfully met the challenges of implementing the new data protection legislation and it operates in a compliant way;
- the Council has processes in place to demonstrate compliance to the ICO and it complies with the GDPR's accountability principle;
- Data protection remains, and is likely to always remain, a medium risk to the Council because of the sensitivity of the personal data it processes, which varies between the Services.

To access the SIRO's annual report follow this link –

<http://democracy.anglesey.gov.uk/documents/s16219/SIRO%20Report.pdf?LLL=0>

Principle G	
Implementing good practices in transparency, reporting, and audit to deliver effective accountability	
Related Key Themes:	Professional and Well Run
Conclusion of Self-Assessment:	Assured – The Councils’ Elected Members and Senior Management are accountable for making decisions and delivering services which are supported by both internal and external audits. The activities undertaken are in a transparent and clear manner to which stakeholders are able to understand and respond.

How we do this:

All **agendas and reports are available on the Council Website** unless they contain exempt information. This includes any information on ‘declarations of interest’ that are made at meetings. The Members’ Register of Interests is also published on the Council’s website.

As noted previously in Section D there are two **Scrutiny Committees**; one concerned with the internal working of the Council – *Corporate Scrutiny*, and the second concerned with external partnerships and the impact of the Council on its communities – *Partnership & Regeneration Scrutiny*. These two committees have enabled Members to take a more holistic and corporate view of the Council, its role and impact.

The **Democratic Services Committee** is responsible for reviewing the adequacy and support for Members which covers: Member development, staffing resources, facilities. The Chair of the Committee has been issued with a specific job description, and members of the Committee have a separate job description setting out roles and responsibilities. The Chair also acts as the Member Development Champion and participates in WLGA network meetings where best practice is shared.

The **Audit & Governance Committee** meets regularly to consider the effectiveness of the Council’s internal control; risk management and governance arrangements; monitors the work of internal and external auditors and inspectors; monitors the relationships between auditors and staff; and monitors the responses to audit and inspection recommendations.

A number of Members have undertaken professional development reviews (PDRs) and training needs have been identified from these. This has now been extended to include independent Members of the Standards Committee whose performance and objectives are reviewed by the Standards Committee Chair.

The Council has continued with the practice of holding monthly all-member briefing sessions on major developments / key strategies and budget proposals. This has proved useful in increasing the wider appreciation and understanding of different initiatives prior to further debates and scrutiny in public forums.

The Council has an objective and professional relationship with its external auditors and

statutory inspectors, as evidenced by the Annual Improvement Report. This can be found here – https://www.audit.wales/system/files/publications/1356A2019-20_Isle_of_Anglesey_AIR_Eng.pdf

During 2019/20 Internal Audit continued to operate to the standards set out in the Public Sector Internal Audit Standards (PSIAS) (March, 2017) and the accompanying Local Government Application Note (LGAN). The Internal Audit Charter defines the purpose, authority and responsibility of the internal audit activity, which is led by the Head of Audit & Risk.

In addition, the activities involved in managing risks have been recognised as playing a central and essential role in maintaining a sound system of internal control.

While the responsibility for identifying and managing risks belongs to management, one of the key roles of internal audit is to provide assurance that the management of those risks has been properly managed.

A professional internal audit activity can best achieve its mission as a cornerstone of governance by positioning its work in the context of the organisation's own risk management framework.

Risk-based internal auditing allows internal audit to provide assurance to ‘those charged with governance’ that risk management processes are managing risks effectively, in relation to the risk appetite. It also seeks at every stage to reinforce the responsibilities of management and the elected members for managing risk.

As a result, the Internal Audit plan changes regularly during the year following the Head of Audit and Risk’s visits to services and changes to the corporate risk register.

The Senior Leadership Team, Members and officers from Internal Audit and Corporate Transformation meet regularly with external regulators to discuss the Corporate Risk Register, key developments, the findings of all external reports and to update on progress being made to implement recommendations.

The Coronavirus pandemic had no impact on the completion of the Internal Audit Strategy for 2019/20 and the Head of Internal Audit was able to issue a full annual audit opinion as normal.

Over recent years, the Council has succeeded in managing and evaluating itself regularly and as a result regulators’ opinion has been positive in terms of willingness to achieve.

Care Inspectorate Wales inspected the Children & Family Service originally in November 2016 and noted that improvements were required. In its recent follow up report ([Children’s Services Inspection Report – October 2018](#)) it noted that:

- “Children’s services were able to demonstrate significant improvement in a number of key areas with other areas still requiring further work.
- Staff Morale is high and there is passion and commitment at all levels to continuing to work hard on the journey of improvement to deliver excellent services for children.

- There is strong leadership and governance in children’s services. Members of the council were able to demonstrate their contribution to children’s services improvement journey. Senior officers are visible, available and driving improvements”.

Children & Family Services continued on the good work already undertaken by the service and developed at the start of the financial year a new Service Development Plan which included the areas for development identified by CIW following the re-inspection. This is monitored regularly by the Children’s Improvement Panel which has a membership of Officers and elected Members.

Welsh Government has judged that the vast majority of Anglesey schools are now performing effectively (yellow and green rated schools) with 13 of these schools placed in the highest category (green) in 2019 (compared to 11 in 2018). The number of primary schools in the red category (i.e. schools needing significant support) remains zero. Estyn’s Framework for inspecting the Authority’s schools assesses the standards of teaching, learning and the welfare of pupils in individual schools. Estyn inspected six schools in 2019/20 and results show that five schools did not require follow-up activity, while one school required an Estyn review. Currently two schools continue to be in Estyn follow-up categories compared to three schools in 2018, and these schools are monitored by the Education Standards Scrutiny Panel.

Review of Effectiveness

The Isle of Anglesey County Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit’s annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The effectiveness of the governance framework has been evaluated by a combination of:-

- the results of the regular in-year review and monitoring by officers and committees;
- a review of relevant documents prepared during the year or relating to the year;
- the review of progress against the Corporate Plan;
- reviews of feedback from Estyn and CIW and the related scrutiny panels on the improvement work in relation to Education and Children’s Services;
- a series of interviews with key officers;
- discussion with, and receiving comments from, groups of officers and members including the SLT and the Executive.

In addition, regular in-year review and monitoring includes:-

- formal risk management activity, including specific consideration of those risks linked to governance processes;

- internal audit, whose work takes account of identified risks through regular audits of the major systems, establishments, major projects and major governance processes, including risk management, in accordance with the annual internal audit strategy, and which includes 'follow-up' work to ensure that senior officers implement agreed recommendations;
- the annual assessment of Internal Audit by the Council's external auditors;
- the work of the Council's Scrutiny and other Committees, including its Audit and Governance and Standards committees;
- the opinions and recommendations of the Council's external auditors and other review agencies and inspectorates;
- the regular monitoring of improvement and performance against the Corporate Plan and its supporting plans and strategies by members and senior managers.

Key policies, and any amendments to them, are approved by the Executive and where appropriate, formally adopted by the County Council.

The coronavirus pandemic did not lead to any significant internal control or governance issues during 2019/20.

Significant Governance Issues

Our own Internal Audit report for 2019/20 came to the following conclusion –

There are no issues which are of a significantly high risk or impact that warrant inclusion in the Annual Governance Statement.

During 2019-20, we have found senior management at the Council to be supportive and responsive to the issues we have raised. We have a good relationship with management; they openly share the areas where they perceive to be potential problems and take on board the results of our work as an opportunity for making improvements. We have also been commissioned to undertake advisory work in the year at the request of management, which gives a strong indicator that managers are willing to engage with Internal Audit to establish good risk and control environments.

Governance matters identified

Progress on Identified Governance Matters 2018/19

The table below outlines the Governance Matters identified during 2018/19 and an update on progress during 2019/20:

Actions identified to address weaknesses	Lead Officer / Service / Board	Update on progress
<ul style="list-style-type: none"> Increase the understanding of Corporate Safeguarding in Services. This should be done with general and advanced training as appropriate 	Corporate Safeguarding Board	Training implemented as appropriate throughout the year through the Learning Pool. To be a regular annual module in future years.
<ul style="list-style-type: none"> Begin to replenish the general balances by implementing the agreed new budget following the budget setting process. To continue to review the arrangements for updating, agreeing and monitoring the Medium Term Financial Strategy 	S151 Officer	<p>2019/20 draft outturn figures show an overall underspend of £250k.</p> <p>The current pandemic has changed the Council's financial position significantly and this may significantly reduce the balances. Further work will have to take place.</p>
<ul style="list-style-type: none"> Continue on the good work already undertaken by the service and develop a new Service Development Plan following the re-inspection 	Head of Service - Children & Family Services	Service Development Plan has been in place since April 2019. This is reviewed at the Social Services Panel on a monthly basis.
<ul style="list-style-type: none"> All Services should review their expenditure to ensure fit for purpose contracts are in place 	All Heads of Service	Resources have reviewed all external services and a contract is in place for all services.
<ul style="list-style-type: none"> Minimise future subsidy withholds by agreeing timetable with external auditors and escalate matters as agreed by external auditors if timetable is not being kept. 	S151 Officer	The WAO has taken over the auditing the outstanding subsidies (17/18 and 18/19). The work has moved ahead and we are close to completing the 17/18 subsidy which will release around £6m in subsidy withholds.
<ul style="list-style-type: none"> Agreeing a new Corporate Customer Service strategy 	Transforming Business Processes Project Board	A strategic direction for customer service has been developed under the Board and has been signed off by the Penaethiaid.

<ul style="list-style-type: none"> • Monitor the effects of Universal Credit and how effective the identified mitigation has been 	<p>Head of Service - Housing</p>	<p>The Universal Credit rollout and Council lead for this work is the Service Manager, Community Housing.</p> <p>A multi-agency Universal Credit hub meeting is scheduled regularly however a review is required.</p> <p>O'Toole Services continuing to meet the demand of welfare rights / advice support for Island-wide residents. Four outreaches have been developed to ensure we support those who struggle with Transport and to ensure a Community-led approach is in place.</p> <p>Relationship with DWP is excellent.</p> <p>Frequent Corporate updates to ensure Council staff are aware on where to turn should UC support be required for any resident.</p> <p>Post implementation action plan reviewed bi-monthly and progress reported to the UC hub.</p>
<ul style="list-style-type: none"> • A cross-departmental working group including the Head of Function (Resources) and Section 151 Officer as champion has been established to ensure PCI DSS compliance. 	<p>S151 Officer</p>	<p>A working group now meets quarterly under the Chairmanship of the Revenues and Benefits Manager. All staff have received the necessary training and the appropriate risk assessments are undertaken to ensure continued compliance.</p>

Certifying the Annual Governance Statement

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit and Governance Committee and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined in the document.

We propose to take appropriate steps to address these and the other weaknesses identified in the Annual Governance Statement and to further enhance our governance and assurance arrangements in the forthcoming year. We will monitor the implementation and operation of improvements through the Audit and Governance Committee and as part of our next annual review.

On behalf of the Isle of Anglesey County Council



**Leader, Anglesey County Council
September 2020**



**Chief Executive, Anglesey County Council
September 2020**

Audit of Accounts Report – Isle of Anglesey County Council

Audit year: 2019-20

Date issued: 21 October 2020

Purpose of this document

This document is a draft supplied in confidence solely for the purpose of verifying the accuracy and completeness of the information contained in it and to obtain views on the conclusions reached.

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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

Contents

We intend to issue an unqualified audit report on your Accounts. There are some issues to report to you prior to their approval.

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Audit of Accounts Report

Introduction

- 1 We summarise the main findings from our audit of your 2019-20 Statement of Accounts in this report.
- 2 We shared the draft ISA260 with management prior to issue and are due to discuss the issues arising with the S151, Accountancy Services Manager and the Finance Manager on 8 October 2020.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £3,700,000 for this year's audit.
- 5 We have now almost completed this year's audit but the following work is outstanding:
 - Completion and review of the Pension Liability on receipt of IAS19 assurances from Pension Fund Auditor as well as conclusions in relation to McCloud and Goodwin cases;
 - We are awaiting resolution of differences identified between the valuers report for year-ended 31 March 2020 and blueprints. At this stage there is no indication that this outcome would materially change the figures in the accounts, however, it may lead to an immaterial unadjusted misstatement item being presented in the representation letter which will be tabled at the Council meeting and a recommendation which will be communicated to management;
 - Finalisation of our testing including debtors, cash after date testing;
 - Receipt of legal monitoring officer's confirmations of any matters outstanding;
 - Receipt of final accounts and review of these to ensure CIPFA checklist and audit quality exceptions addressed;
 - Completion of our reviews and clearance of review comments;
 - Subsequent events review to be updated to date of signing considering the disclosures required in the financial statements;
 - Review of final accounts; and
 - Receipt of signed representation letters.
- 6 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and, our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

Impact of Covid-19 on this Year's Audit

- 7 The Covid-19 pandemic has had a significant impact on all aspects of our society and continues to do so. You are required by law to prepare accounts and it is of considerable testament to the commitment of your accounts team that you have succeeded in doing so this year in the face of the challenges posed by this pandemic. We are extremely grateful to the professionalism of the team in supporting us to complete our audit in such difficult circumstances.
- 8 The pandemic has unsurprisingly affected our audit and we summarise in **Exhibit 1** the main impacts. Other than where we specifically make recommendations, the detail in **Exhibit 1** is provided for information purposes only to help you understand the impact of the Covid-19 pandemic on this year's audit process.

Exhibit 1 – impact of Covid-19 on this year’s audit

Timetable	<ul style="list-style-type: none">• The deadline for completing your accounts was changed by Welsh Government from 15 June 2020 to 31 August 2020.• We received the draft accounts on 15 June 2020.• Our deadline for completing our audit was changed from 15 September 2020 to 30 November 2020.• We expect your audit report to be signed on 23 October 2020.
Electronic signatures	Electronic signatures are a permissible method of certifying and approving financial statements and this method will be used by Audit Wales.
Audit evidence	We have been unable to conduct our audit at the Council’s Llangefni site due to the Covid-19 pandemic. Early discussions with the team indicated that the audit could be conducted remotely via the use of a secure Sharefile and Microsoft TEAMS. Using this platform, we have been able to screen share and observe team members running reports and sending these to us, just as we would observe this whilst sat next to the individual. There has been no change to our standard audit approach.
Other	The impact of Covid-19 meant that we needed to factor additional considerations into our risk assessment and certain areas of our audit required further work, such as property valuations, pensions and the going concern assessment. We note that it has also resulted in a material uncertainty being attached to the property valuations produced by the Council’s Valuer as well as in relation to the fair value of pension scheme assets.

- 9 We will be reviewing what we have learned for our audit process from the Covid-19 pandemic and whether there are innovative practices that we might adopt in the future to enhance that process.

Proposed Audit Opinion

- 10 We intend to issue an unqualified audit opinion on this year’s accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**.
- 11 We issue a ‘qualified’ audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.

- 12 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards along with confirmation of other specific information you have provided to us during our audit.
- 13 Our proposed audit report is set out in **Appendix 2**.

Significant Issues arising from the Audit

Uncorrected misstatements

- 14 We set out below the misstatements we identified in the accounts, which have been discussed with management but remain uncorrected. We request that these are corrected. If you decide not to correct these misstatements, we ask that you provide us with the reasons in writing for not correcting them.
- Whilst we note we are awaiting the work to be finalised in relation to the Goodwin case where legal challenge has been made against the Government in respect of unequitable pension benefits for male spouses of female members (in respect of service before 1988). An Employment Tribunal has recently upheld the claim, resulting in an additional liability needing to be recognised in FY20, as a post balance sheet adjusting event, as a past service cost. We note that this is an area which has been developing since the accounts were first drafted, and our pension specialists are currently estimating the impact of this which could be in the order of 0.2% of the defined benefit obligation which is not considered to be material.

Corrected misstatements

- 15 There were initially misstatements in the accounts that have now been corrected by management. These were not material so we do not believe that these need to be brought to your attention.

Other Significant Issues arising from the Audit

- 16 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There were no issues arising in these areas this year.

Recommendations

- 17 The recommendations arising from our audit are set out in **Appendix 3**. Management has responded to them and we will follow up progress against them during next year's audit. Where any actions are outstanding, we will continue to monitor progress and report it to you in next year's report.

Appendix 1

Draft Letter of Representation

Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

23 October 2020

Representations regarding the 2019-20 financial statements

This letter is provided in connection with your audit of the financial statements of Isle of Anglesey County Council for the year ended 31 March 2020 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- The preparation of the financial statements in accordance with legislative requirements and CIPFA Code of Practice on Local Authority Accounting; in particular the financial statements give a true and fair view in accordance therewith.
- The design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- Full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects Isle of Anglesey County Council and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and

accounted for and disclosed in accordance with the applicable financial reporting framework.

The value of those assets which are currently held at historic cost, but should be accounted for at their current value in line with the CIPFA Code of Practice on Local Authority Accounting, is not materially different to their current value.

The pension liability, and related disclosures within the financial statements, are up to date following developments in the McCloud and Goodwin legal cases. Where the liability has not been updated for relevant developments, the impact of this is not material. The financial statements are free of material misstatements, including omissions.

Representations by those charged with governance

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Isle of Anglesey County Council on 8 September 2020.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Section 151 Officer
Isle of Anglesey County Council

Officer or Member who signs on behalf
of those charged with governance
Isle of Anglesey County Council

Date:

Date:

Appendix 2

Proposed Audit Report

The independent auditor's report of the Auditor General for Wales to the members of Isle of Anglesey County Council

Report on the audit of the financial statements

Opinion

I have audited the financial statements of Isle of Anglesey County Council for the year ended 31 March 2020 under the Public Audit (Wales) Act 2004.

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

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2019-20 based on International Financial Reporting Standards (IFRSs).

Basis of Opinion

In my opinion the financial statements:

- give a true and fair view of the financial position of Isle of Anglesey County Council as at 31 March 2020 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2019-20
- I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – material uncertainty related to property valuations

I draw attention to Note 3 to the financial statements, which describes a material valuation uncertainty clause arising from circumstances caused by the COVID-19 pandemic. My opinion is not modified in respect of this matter.

Emphasis of Matter - UK property funds

I draw attention to Note 41 to the financial statements which describes a material uncertainty regarding the valuation of the UK property funds managed by the Gwynedd Pension Fund. My opinion is not modified in respect of this matter.

Conclusions relating to going concern

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

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

Other information

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

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

Report on other requirements

Opinion on other matters

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

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019-20;
- The information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Governance Statement has been prepared in accordance with guidance.

Matters on which I report by exception

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

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

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or

- I have not received all the information and explanations I require for my audit.

Certificate of completion of audit

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

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 18, the responsible financial officer is responsible for the preparation of the statement of accounts, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Adrian Crompton
Auditor General for Wales

24 Cathedral Road
Cardiff
CF11 9LJ

Appendix 3

Recommendations

We set out all the recommendations arising from our audit with management's response to them. We will follow up these next year and include any outstanding issues in next year's audit report:

Matter arising 1 – IT Findings	
Findings	As part of our financial audit we engaged IT specialists to assist the audit team with testing the appropriateness of the Council's IT systems which have a direct impact on the production of the financial statements. The IT specialists identified a number of recommendations which have been communicated to management.
Priority	High-Low
Recommendation	It is recommended that management work with the IT Manager to ensure these recommendations are implemented in a timely manner.
Benefits of implementing the recommendation	To improve the quality and robustness of the IT systems.
Accepted in full by management	Partially accepted.
Management response	Management is working with the ICT section to agree actions required.
Implementation date	2020/21

Recommendations arising from our 2018-19 financial audit work

We set out all the recommendations arising from our 2018-19 audit with management's response to them. We have followed these up during the 2019-20 audit and have recorded the results below.

Matter arising 1 - Resource Link – Password Parameters

Findings

The following weaknesses were noted with the password parameters on the Resource Link application:

- Minimum Password Length = 4 characters (good practice = 8)
- Password History = Not set (good practice = minimum 5 remembered)
- Password Expiry = Not set (good practice = maximum 90 days)
- Lockout Threshold = 4 (good practice = maximum 5 attempts)
- Lockout Duration = Not set (good practice = 24 hours/admin reset).

In aggregate this means that users may choose simple, easy to guess passwords, which would be in contradiction to the Council's security policy and increase the risk that their accounts could be accessed inappropriately.

The following weaknesses were noted with the password parameters on the Windows Domain:

- Password Expiry = 12 months (good practice = maximum 90 days)

	<ul style="list-style-type: none"> - Lockout Duration = 30 minutes (good practice = 24 hours/admin reset) <p>It has been noted that the following settings are not changed from factory default and remain not enforced on the Oracle database supporting ResourceLink:</p> <ul style="list-style-type: none"> - Minimum Length - Password History - Password Expiry - Complexity <p>Additionally the lockout duration is set to 1 minute which is not in line with Industry Good Practice.</p> <p>Lack of strong password controls increases the vulnerability of the system towards brute force attacks and unauthorised parties gaining access to the systems. Databases should especially be protected given their nature and ability of users to directly manipulate the data.</p> <p>Additionally, with the GDPR legislation, all applications holding personal data should have stringent password parameters to ensure no data is lost which could result in financial penalties for the council.</p>
Priority	High
Recommendation	It is recommended that the password parameters are revised to reflect good practice.
Benefits of implementing the recommendation	Weak password parameters settings significantly increase the risk of brute force attacks and could result in unauthorised individuals gaining inappropriate access to confidential data.
Accepted in full by management	Accepted
Management response	The NCSC guidance states that if password are too long in length end users will be more likely to write

	<p>them down. 9 Characters offers increased security over the previous 7 but also reduces the likelihood of users writing passwords down, which is against our IT Security Policy. Our Intrusion Prevention and Detection system monitors the network for potentially malicious traffic and/or actions, multiple failed login attempts to Active Directory is one of these parameters.</p> <p>Our domain login policy forces account lockout after 3 failed login attempts, at which point the user must contact the IT Service Desk to request unlocking.</p> <p>We do not feel it would be appropriate to email users each and every time their account successfully logged in, although we will investigate the possibility of a notification on failed login</p>
Implementation date	31 st March 2020
Follow Up	<p>We are pleased to note many of the above actions have been addressed with the below still remaining outstanding as a finding:</p> <p>The following weakness was noted with the password parameters on the SX3 application:</p> <p>Lockout duration = Blank</p> <p>Recommendation re-raised and communicated to management as part of the current years recommendation 'Matter arising 2 – IT Findings'.</p>

Matter arising 2 - Timely access de-provisioning.

Findings	<p>It was noted that a leavers SX3 access was only revoked upon one of the application owners receiving an 'out of office' email from the leaver's email account. No ticket or email request was submitted to inform SX3 admins of the leavers departure.</p>
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Priority	Medium
Recommendation	It is recommended that leaver's access is revoked in a timely manner
Benefits of implementing the recommendation	Weak password parameters settings significantly increase the risk of brute force attacks and could result in unauthorised individuals gaining inappropriate access to confidential data.
Accepted in full by management	Accepted
Management response	Currently discussing with the management team and accept the matter raised
Implementation date	31 st March 2020
Follow Up	Recommendation re-raised and communicated to management as part of the current years recommendation 'Matter arising 2 – IT Findings'.

Matter arising 3 – Related Party Transactions

Findings	Related party Transactions have the same authorisation requirements as standard transactions
Priority	Medium
Recommendation	Related Party Transactions should have a specific authorisations requirements to respond to the risk related party transaction inherently present.

Benefits of implementing the recommendation	It is recommended that the Council review's the authorisation process for related party transactions given the inherent risk due to the nature of the type of transaction.
Accepted in full by management	Accepted
Management response	This matter will form part of the department's year end process review. Any weaknesses identified will be amended
Implementation date	31 st March 2020
Follow Up	TBC – work to be finalised at the date this report was issued. This recommendation will therefore roll forward to the 2020/21 financial statement audit year.

Matter arising 4 – Payroll Controls – Processing of timesheets

Findings	We identified that currently all Payroll officers are responsible for the checking and inputting of timesheets onto the payroll system. At the end of each month one Payroll officer will be responsible for checking the data input into the payroll system (this alternates between the three officers). This means that the member of staff completing the checking will check the data inputted by themselves, and therefore there is not complete segregation of duties
Priority	Medium
Recommendation	It is recommended that the council introduce complete segregation of duties in relation to the processing of timesheets.

Benefits of implementing the recommendation	This mitigates the risk that cash can be paid to fictitious employees.
Accepted in full by management	Accepted
Management response	Currently the payroll team and creditors team are undergoing a restructure. This restructure is based upon creating resilience within the team as well as allowing for segregation of duties. The restructure is currently under way and should be implemented early in the next financial year.
Implementation date	30 June 2020
Follow Up	When this was reviewed in July this recommendation remained outstanding. However, Internal Audit have published a report in relation to this matter and have confirmed updated segregation of duties have been implemented, we have performed sample testing to confirm this but are awaiting final evidence. This recommendation will therefore roll forward to the 2020/21 financial statement audit year.

Matter arising 5 – Payroll Controls

Findings	We identified as part of our New Joiners walkthrough that a payroll member of staff can create a new starter and update the individual's bank details in addition to members of the HR department.
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Priority	Medium
Recommendation	It is recommended that Payroll members of staff do not have the ability to set up new starters and update the individual's bank details and these functions are reserved to HR staff.
Benefits of implementing the recommendation	This mitigates the risk that cash can be paid to fictitious employees.
Accepted in full by management	Accepted
Management response	Currently the payroll team and creditors team are undergoing a restructure. This restructure is based upon creating resilience within the team as well as allowing for segregation of duties. The restructure is currently under way and should be implemented early in the next financial year.
Implementation date	30 June 2020
Follow Up	When this was reviewed in July this recommendation remained outstanding. However, Internal Audit have published a report in relation to this matter and have confirmed updated segregation of duties have been implemented, we have performed sample testing to confirm this but are awaiting final evidence. This recommendation will roll forward to 2020/21 financial statement audit year.



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

ISLE OF ANGLESEY COUNTY COUNCIL

REPORT TO:	COUNTY COUNCIL
DATE:	27 OCTOBER 2020
SUBJECT:	ANNUAL TREASURY MANAGEMENT REVIEW FOR 2019/20
PORTFOLIO HOLDER(S):	COUNCILLOR R WILLIAMS
LEAD OFFICER(S):	R MARC JONES
CONTACT OFFICER(S):	JEMMA ROBINSON (EXT. 2675)

Nature and reason for reporting

To comply with regulations issued under the Local Government Act 2003 and with the Council's Treasury Management Scheme of Delegation for 2019/20 (Appendix 8 of the Treasury Management Strategy Statement 2019/20). In accordance with the Scheme of Delegation, this report was scrutinised by the Audit Committee on 21 July 2020 and forwarded to the Executive Committee without comments on 28 September 2020. The Executive Committee resolved to forward the report to the full Council without any further comment.

1. Introduction

The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2019/20. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

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

- an annual treasury strategy in advance of the year (received on 27 February 2019);
- a mid-year treasury update report (received on 10 March 2020);
- an annual review following the year describing the activity compared to the strategy (this report).

The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit Committee before they were reported to the full Council. Member training on treasury management issues was undertaken during the year on 07 November 2019 in order to support members' scrutiny role.

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

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

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

2. A Review of the Year – External Factors

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

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

After the Monetary Policy Committee raised Bank Rate from 0.5% to 0.75% in August 2018, Brexit uncertainty caused the MPC to sit on its hands and to do nothing until March 2020; at this point it was abundantly clear that the coronavirus outbreak posed a huge threat to the economy of the UK. Two emergency cuts in Bank Rate from 0.75% occurred in March, first to 0.25% and then to 0.10%. These cuts were accompanied by an increase in quantitative easing (QE), essentially the purchases of gilts (mainly) by the Bank of England of £200bn. The Government and the Bank were also very concerned to stop people losing their jobs during this lock down period. Accordingly, the Government introduced various schemes to subsidise both employed and self-employed jobs for three months while the country is locked down. It also put in place a raft of other measures to help businesses access loans from their banks, (with the Government providing guarantees to the banks against losses), to tide them over the lock down period when some firms may have little or no income. However, at the time of writing, this leaves open a question as to whether some firms will be solvent, even if they take out such loans, and some may also choose to close as there is, and will be, insufficient demand for their services.

At the time of writing, this is a rapidly evolving situation so there may be further measures to come from the Bank and the Government in the months ahead. The measures to support jobs and businesses already taken by the Government will result in a huge increase in the annual budget deficit in 2020/21 from 2%, to nearly 11%. The ratio of debt to GDP is also likely to increase from 80% to around 105%. In the Budget in March, the Government also announced a large increase in spending on infrastructure; this will also help the economy to recover once the lock down is ended. Provided the coronavirus outbreak is brought under control relatively swiftly, and the lock down is eased, then it is hoped that there would be a sharp recovery, but one that would take a prolonged time to fully recover previous lost momentum.

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

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

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

3. A Review of the Year – Internal Factors

3.1 Capital Expenditure and financing 2019/20 - The Council undertakes capital expenditure on long-term assets. These activities may either be:-

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- Financed from borrowing: If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

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

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

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

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

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

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

3.3 Externalisation of borrowing – The Council’s underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council’s debt position. The CFR results from the capital activity of the Council and the resources utilised to pay for the capital spend. It represents the 2019/20 capital expenditure financed by borrowing, and prior years’ capital expenditure funded by borrowing which has not yet been paid for by revenue or other resources. Part of the Council’s treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the Treasury Service organises the Council’s cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board (PWLB) or the money markets), or utilising temporary cash resources within the Council. In March 2020, the Council took out one short term borrowing with the PWLB to fund planned capital expenditure to the end of the financial year. On 18 March 2020, the Council borrowed £10m with an interest rate of 2.05% and will mature on 18 March 2021.

3.3.1 Gross borrowing and the CFR - In order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure.

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

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

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

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

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

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

3.6 Investments – The expected investment strategy was to keep to shorter term deposits (up to 364 days) although the ability to invest out to longer periods was retained. Cash balances were expected to be up to £33m, ranging between £11m and £33m. The interest budget was set at £0.032m after adjusting for the higher rates on existing investments. As it turned out, average balances of £22.4m returned £0.128m at an average interest rate of 0.57%. Investments in other Local Authorities contributed to this increase in interest receivable.

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

3.7 Treasury Position at 31 March 2020 - Council's debt and investment position is organised by the Treasury Management Service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity in accordance with the Treasury Management Strategy 2019/20. The upper limits for fixed rate and variable rate exposures were not breached during the year. The borrowing and investment figures for the Council as at the end of the 2018/19 and 2019/20 financial years are as follows:-

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

Borrowing is further broken down by maturity as:-

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

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

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

- 4.1 Debt rescheduling** - No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.
- 4.2 Borrowing in advance of need** – During the year, the Council did not borrow more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.
- 4.3 Investment Policy** – the Council's investment policy is governed by Welsh Government investment guidance, which has been implemented in the annual Treasury Management Strategy Statement approved by the Council on 27 February 2019. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.). The investment activity during the year conformed to the approved strategy and the Council had no liquidity difficulties. When the Council invests its surplus cash, the most important aspect of the investment is security, followed by liquidity and then the yield. This essentially means that the main priority is the safety of the cash, followed by how readily available the cash is should the Council require it followed by the percentage interest rate return that the Council will receive for the investment. The strategy on investing surplus cash would be to borrow short term with other Local Authorities to maximize returns in a secure way.
- 4.4 Borrowing strategy and control of interest rate risk** - During 2019 and until March 2020, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered. As stated in paragraph 3.3 of this report, in March 2020 the Council did undertake a short term borrowing with the PWLB, to fund planned capital expenditure to the end of the financial year. As described in 3.3, this resulted in exceeding the CFR at year end, but this is only for the short term as external borrowing is repaid and capital expenditure incurred.
- 4.5 MRP Policy** – In 2018/19 the Council implemented its new MRP policy after seeking advice from its Treasury advisors and consultation with External Audit. The new policy is a more prudent approach to charging Revenue for Capital Financing costs. The New policy can be seen in Appendix 6 of the Treasury Management Strategy Statement 2019/20 that was approved by full Council on February 27 2019.

5. Controlling Treasury Management

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

- **Capital expenditure – Estimates of Capital Expenditure** - This is the forecast Capital Expenditure from 2019/20 to 2022/23, and is based on the Capital Programme for 2019/20 and the Capital Strategy for 2020/21.

- **The Council's borrowing need (the Capital Financing Requirement)** - Another prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR. The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life, and so charges the economic consumption of capital assets as they are used.
- **Prudence - Gross Debt and the CFR** - The Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2019/20 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.
- **External Debt - The authorised limit for external debt** - A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised. The S151 Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget report. The Authorised Limit is set annually in the Treasury Management Strategy Statement and is approved by full Council.
- **The operational boundary** - This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached. The Operational Limit is set annually in the Treasury Management Strategy Statement and is approved by full Council.
- **Affordability - Ratio of financing costs to net revenue stream** - This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

6. Prudential Indicators Actual vs Expected

- 6.1 During 2019/20, the Council complied with its legislative and regulatory requirements. The key data for actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:-

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

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

6.3 The second Prudential indicator in the above table is the Capital Financing Requirement. The Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge called the Minimum Revenue Provision, MRP, to reduce the CFR. This is, effectively, a repayment of the borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR. The total CFR can also be reduced by:-

- the application of additional capital financing resources (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

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

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

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

7. Looking forward to 2020/21 and beyond

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

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

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

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

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

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

8. Conclusion

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

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

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

RECOMMENDATIONS

The Committee is recommended to:-

- (i)** Note that the outturn figures in this report will remain provisional until the audit of the 2019/20 Statement of Accounts is completed and signed off; any resulting significant adjustments to the figures included in this report will be reported as appropriate;
- (ii)** Note the provisional 2019/20 prudential and treasury indicators in this report;
- (iii)** Consider the annual treasury management report for 2019/20

Background papers:

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

**R MARC JONES
DIRECTOR OF FUNCTION (RESOURCES) &
SECTION 151 OFFICER**

27 OCTOBER 2020

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	EXECUTIVE COMMITTEE
Date:	26th OCTOBER 2020
Subject:	ANNUAL PERFORMANCE REPORT 2019/20
Portfolio Holder(s):	COUNCILLOR DAFYDD RHYS THOMAS
Head of Service / Director:	CARYS EDWARDS
Report Author:	GETHIN MORGAN
Tel:	01248 752111
E-mail:	GethinMorgan@anglesey.gov.uk
Local Members:	n/a

A –Recommendation/s and reason/s
<p>1.1. The council is required to produce and publish its Annual Performance Report by 31 October each year - a statutory document that analyzes performance over the previous financial year against the improvements and priorities outlined by the Council in the Annual Delivery Document and Council Plan.</p> <p>1.2. This paper outlines our Performance Report that looks back on the Council's performance for 2019/20.</p> <p>1.3. The report looks at the council's progress against our Annual Delivery Document 19/20 objectives for 2019/20 as outlined through our 3 specific objectives –</p> <ul style="list-style-type: none"> • Ensure that the people of Anglesey can thrive and realise their long-term potential • Support vulnerable adults and families and keep them safe, healthy and as independent as possible • Work in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment <p>1.4 This report looks at the outputs and outcomes against what we said we would achieve under the above objectives and identifies further areas where improvement is needed.</p> <p>1.5 The Committee is therefore asked to agree:</p> <ul style="list-style-type: none"> • to agree the 2019/20 Performance Report as a reflection of the Authority's work and should be published by the statutory date at the end of October.

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

C – Why is this a decision for the Executive?
This matter is delegated to the Executive

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

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

E – Impact on our Future Generations(if relevant)		
1	How does this decision impact on our long term needs as an Island	<p>The Annual Performance Report gives a snapshot of the work undertaken by the Council over the last financial year as well as the KPI performance against the Council’s Annual Delivery Document for 2019/20 and Council Plan.</p> <p>All 3 objectives listed in the Council Plan consider the long term needs of the Island</p> <ol style="list-style-type: none"> 1. Ensure that the people of Anglesey can thrive and realise their longterm potential 2. Support vulnerable adults and families to keep them safe, healthy and as independent as possible 3. Work in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment

2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-	N/A
3	Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:	N/A
4	Have Anglesey citizens played a part in drafting this way forward? Please explain how:-	Anglesey residents were consulted before the drafting of the Council Plan in 2017.
5	Outline what impact does this decision have on the Equalities agenda and the Welsh language	N/A

DD – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	This was considered by the SLT and their comments are reflected in the report
2	Finance / Section 151 (mandatory)	Comments are reflected in the report
3	Legal / Monitoring Officer (mandatory)	No comment
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Procurement	
8	Scrutiny	
9	Local Members	

F - Appendices:

FF - Background papers (please contact the author of the Report for any further information):
<ul style="list-style-type: none"> • 2019/20 Annual Delivery Document • Council Plan 2017-22



Annual Performance Report 19/20



October 2020

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Foreword

This is my third performance report as Leader of the Council, and we certainly didn't see what lay ahead for us when planning for this year. I'm pleased to present our Annual Performance Report looking back on the work we undertook in 2019/20 as well as some of the work we've undertaken in response to the Covid-19 pandemic. The report highlights what we have, and have not achieved during the year in comparison to what we said we would do in our Annual Delivery Document for 2019/20.

At the beginning of the report it is important that I convey my thanks to all those who ensure the success of the Council in serving the people of Anglesey. I would like to pay deserved tribute to everyone who works so hard in what was one of the highest performing authorities in Wales in 2018/2019. Success is not brought about by size but rather a willingness to work for the good of society.

We were pleased that the Llawr y Dref refurbishment scheme has been completed to provide comfortable homes. We have amended the allocations policy to ensure the best use of the flats for the community in Llangefni. In conjunction with the Children's Service we opened two training flats for our young people leaving care.

Following Rehau's decision to close the factory in Amlwch, the Executive decided to support the area by agreeing the North Anglesey Economic Recovery Plan. £495,000 was received from the NDA for this work.

Holyhead Market Hall was opened following major repairs after being vacant for years. The building has been rescued as a focal point for the town. The Library has been successfully incorporated into the new building and offers a service for all generations to come together in a welcoming atmosphere.

I was particularly pleased that the number of foster parents increased during the year due to the change in our offer, with a reduction in Council Tax, leisure membership and a parking permit. This ensures that the island's children can live here on Anglesey.

As Covid -19 closed in on us the Council responded and adapted very quickly to protect the vulnerable in our communities and to support those in need. I sympathize deeply with all those who have paid the ultimate price during the crisis. Bereavement is difficult in normal times but this crisis has intensified pressure on family and friends.

In response to the pandemic, a 7 days a week emergency phone line was set up to support the vulnerable community. We received a great deal of enquiries, particularly from local businesses. I would like to thank all the staff for their willingness to work the extra hours and for being a comforting voice on the other end of the phone.

At the start of the crisis the Council, Medrwn Môn and Menter Môn came together to create community support. Over 800 volunteers came forward to support the communities of Anglesey. Thanks to all of them for protecting those in need in our society. Under the leadership of Menter Môn, the Neges scheme was set up to ensure nutritious meals for vulnerable people in our society.

Lastly, the circumstances in the year from March to October 2020 have changed us all. As a Council we can be proud of our staff and our communities. Together we can make a difference and by pulling together we show the strength of our small island.

Introduction

Our aim for the 2017-2022 period as stated in our Council Plan is that –

“We will be working towards an Anglesey that is healthy and prosperous where families can thrive”

The key theme running through the Council Plan is our ambition to work with the people of Anglesey, our communities and partners to ensure high quality services that will improve the quality of life for everyone on the Island.

Our aim cannot be any more important than during these uncertain times in all of our lives with a world-wide coronavirus pandemic threatening many of our family, friends, neighbours, communities, colleagues and the way we live our lives. So much has changed dramatically in such a short period of time and we as a Council have been working hard with partners and within our communities to ensure that Anglesey residents and visitors alike remain as safe and healthy as possible.

We will therefore begin our report in a slightly different way to normal where we will report some of the key decisions that the Council has undertaken during this pandemic and then move on to provide updates on the work undertaken during 2019/20.

Response to the Coronavirus Pandemic

The first positive Covid-19 case was reported on Anglesey on the 11th March 2020. Following the UK Government advice for everyone in the UK to avoid all ‘non-essential’ travel and contact with others, we set up an Emergency Management Response Team (EMRT) on the 18th March 2020.

The EMRT has been responsible for making decisions on anything Coronavirus related on Anglesey including discussing key service delivery, new activities, workforce planning, communication, information sharing and health & Safety. It consists of the Chief Executive, Deputy Chief Executive, the Senior Leadership Team, Heads of Service, the Council Leader and Deputy Leader, and key personnel from an emergency management perspective. The EMRT met daily at the start of the pandemic and has at the time of writing been eased to a weekly meeting as the number of daily positive Covid-19 cases has decreased. Meetings have been held virtually, demonstrating the Council’s ability to be responsive and adapt to changing challenges and requirements.

Emergency Planning for the coronavirus pandemic falls under Civil Contingency legislation and is led nationally by the United Kingdom and Welsh Governments. At a North Wales level this is co-ordinated and led by the Local Resilience Forum (where the public sector works collaboratively), through the emergency Strategic Co-ordination Group (SCG). The Council has been responsible for local decisions and to deliver relevant national legislation and guidance. There was also a monitoring and reporting role, through the structures to influence and inform.

The Council Leader has exercised her executive decision-making powers since the outbreak of the crisis. Members were briefed on the Coronavirus Act and its implications for the Council’s statutory obligations and it has not been possible to conduct business as usual from a Committee perspective because of this. New regulations reduced the legal obligations on local authorities in relation to meetings, while allowing Members to attend meetings remotely. The first remote meeting of the Planning and Orders Committee was held on the 20th May by utilising Microsoft Teams and a recording of the meeting has been made available on the Council’s website. Members and officers have quickly adapted to the new technology and we are working on developing solutions for live streaming and translation services.

Dealing with the Covid-19 crisis has been a significant challenge for the Council - not only in maintaining key front-line services and conducting normal business where possible, but also in ensuring health and safety arrangements are in place to protect the authority's staff whilst providing services.

Locally, we prioritised;

- Maintaining frontline statutory services,
- Implementing new services in direct response to the crisis,
- Plan for a significant number of deaths,
- Protecting and safeguarding the Council workforce,
- Ensuring an adequate and standard Personal Protective Equipment (PPE) supply,
- Protecting and supporting vulnerable individuals and children of key workers in our School Care Hubs,
- Implementing national guidance,
- The administration of national grants e.g. business support; direct payments for free school meals
- Adapting the workforce in a short space of time and creating the conditions for different ways of working including the introduction of Microsoft Teams and enabling staff to work from home that had never worked from home in the past,
- Becoming one of the first Counties to Pilot the 'Test and Trace' system
- Providing timely and regular communication and sharing of information, both internally and externally, and
- Co-operating effectively at a local, regional and national level and
- Re allocating staff duties in order to work on the Test, Trace and Protect initiative

It must also be emphasised that day-to-day work has continued during the crisis period across several Services, but that the approach has been adapted to keep the workforce and residents of the Island safe.

Further information on some of the work undertaken during this period can be found in Appendix 1 at the end of this report, as well as updates discussed in The Executive throughout the coming year available on our website.

Key Coronavirus Indicators

The indicators demonstrated below are just some of the key issues and challenges that will need to be considered as part of the Coronavirus pandemic recovery planning process:

Health & Care

- Anglesey's positive coronavirus cases is, at the time of writing, amongst the lowest in Wales (8th October) with 25.7 cases per 100k population over a 7 day period. To put this into perspective, we hit a height of over 120 cases per 100k population during the 2Sisters factory outbreak in June. We managed to quickly lower the rate and stop a community outbreak due to the work undertaken by the Track and Trace programme, Public Health Wales, the Welsh Government, 2Sisters and ourselves.
- Close to 800 individuals put their name forward to volunteer with Medrwn Môn during the pandemic with 589 active volunteers during the first half couple of weeks of the lockdown. At the time of writing there continues to be close to 500 active volunteers assisting approx. 650 people in our communities with various tasks from shopping to medication deliveries.

- The Neges scheme has delivered over 3000 meals to individuals, couples and families since the start of the pandemic
- The Food Banks have also distributed over 400 packages so far, with the response for donations from the communities being exceptional
- 3393 people received a Shielding letter from the Welsh Government and after the Council contacted those individuals around 150 food parcels were regularly delivered to those that required the packages
- A total of 1551 Free School Meal payments were paid to eligible families on the Island. This is an increase on the uptake of 1140 Free School Meal claimants identified in PLASC
- An average of 105 children attended one of the School Care Hubs on a daily basis during the height of the pandemic (April and May) with an average of 98 staff in attendance. Between June and the middle of July, this increased to an average of 170 children in attendance every day and 125 members of staff.
- An average of 375 children attended Schools each day for the touch base sessions at the end of the school year.

Economy & Workforce

- The claimant count on the Island at the end of August was 6% of the available workforce and it has more than doubled on the 2019/20 average of 2.9%
- Approximately 7700 people have been furloughed at some point up to the end of August which is equivalent to 24% of the workforce population on Anglesey
- Up to the end of July, approximately 3000 claims, or approx. 81% of those eligible businesses, were made to the Self Employment Income Support Scheme (SEISS). A total of £7.6Million has been paid with an average payment of £2600 per claim
- A total of 148 businesses, 89 Micro and 59 SMEs, have accessed around £2.6M from the Economic Resilience Fund
- A total of £17.32M has been paid by the Council so far in Welsh Government Grants to 1732 businesses eligible for the small business rates relief on the Island with a rateable value of £12,000 or less
- A total of £4.5M has been paid by the Council in Welsh Government Grants to 180 retail, leisure and hospitality businesses occupying properties with a rateable value of between £12,001 and £51,000
- The Council has also paid Welsh Government Grants totalling £112,500 to 45 new start-up businesses
- Around 25% of the Council Staff continued to work out in the Community during the first wave of the pandemic, with around 43% of staff working from home on average at the time.

Performance 2019/20

We outlined what we would do to deliver our Council Plan in our Annual Delivery Document (ADD) for 2019/20. **This Annual Performance Report will review the progress of our actions in relation to our objectives outlined in our ADD and compare our performance to key measures.**

We also noted that we will do our very best to ensure that our work aligns with the goals and the principle of sustainable development embodied in the Wellbeing of Future Generations Act. Our objectives have been aligned to these as can be seen in table 1 below.

Council Objectives & Link to National Goals	Prosperous	Resilient	Healthier	More Equal	Cohesive Communities	Welsh language / Culture	Globally Responsive
1. Ensure that the people of Anglesey can thrive and realise their long-term potential	✓	✓	✓	✓	✓	✓	✓
2. Support vulnerable adults and families to keep them safe, healthy and as independent as possible		✓	✓	✓	✓	✓	
3. Work in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment	✓	✓	✓	✓	✓	✓	✓

Table 1

How we measure and analyse our performance

What is Performance Management?

Performance Management is a process in which the council and its staff work together to plan, monitor and review our corporate priorities through corporate objectives, service objectives and individual objectives, within allocated resources.

The Council Plan

The Council Plan sets out the Council's strategic Aims and Objectives for the electoral term. It informs the decision making process at all levels in the Council and:

- sets the framework we use to plan, drive and deliver our services
- influences how way we shape our budget annually, and
- helps to monitor progress and assess what we achieve annually

How and when is it monitored?

The delivery of the Council Plan is delivered through the realisation of the Annual Delivery Document (ADD). The ADD is created at the beginning of each financial year and identifies the key priority areas, as outlined in the Council Plan, which the council will focus on realising during the

forthcoming 12 months. Difficulties have obviously been apparent in meeting those timescales during 20/21 with the emergence of the global pandemic. As a result, it is the intention of the County Council to formulate an 18 month Delivery Document during the Autumn of 2020 which will guide decision making aligned to recovery planning for the remaining term of the current administration. At the end of the financial year the Annual Performance Report (this document) is written to report on progress made, against this Annual Delivery Document over the last 12 months.

The Council Plan is monitored through a variety of different channels, these include:

- Quarterly Transformation Programme Boards;
- Quarterly Corporate Scorecard Report; and
- Annual Service Reviews

Reports using intelligence and information from these sources are thereafter considered by our corporate scrutiny function followed by the Executive. This ensures all members are aware of the progress we are making against our priorities.

Transformation Programme Boards

The Transformation Programme Boards, which sit every quarter, are chaired by the Chief Executive and the Deputy Chief Executive and consists of a membership of, Heads of Service, Senior Managers, Executive Members and Scrutiny Members.

The Programme Boards have a remit to monitor and drive progress on related Change Programmes and Projects giving confidence to elected Members & Senior Leaders that anticipated benefits to the Council and communities are realised and ensuring pace of change is key. These terms of reference have been revised and updated recently to include a wider cross-section of political input together with clear roles and responsibilities clarified.

Service Reviews

Each Service is expected to undertake two Service Reviews per year which are undertaken and managed corporately:

1. Financial Service Review

Undertaken to forecast service savings and transformation work which can be used to assist the process of setting the annual Council budget.

2. Performance and risk Service Review

Requests that services complete a service self-assessment to identify how the Services are performing against key objectives. It is used to provide assurance to the Senior Leadership Team and The Executive that service direction is aligned to that of the wider Council direction and that resources are used effectively.

Corporate Scorecard

The corporate scorecard identifies and informs Council leaders of progress against National and local indicators which explicitly demonstrates the successful implementation of the Council's day to day activities. It assists in providing the evidential indicator base from which the annual performance report is drafted. It portrays the position of the Council against its operational objectives as outlined and agreed collaboratively between the Senior Leadership Team / Executive and Shadow Executive.

The quarterly scorecard monitoring report outlines mitigating actions the Senior Leadership Team have identified to drive and secure improvements. This report is scrutinised by the Scrutiny Committee and the Executive where assurance can be gained that performance across services is being managed effectively.

Performance indicators and analysis

The council monitors its performance through the corporate scorecard, the indicators within the scorecard reports on both national and local indicators which have been aligned with the key objectives of the Annual Delivery Document and will be evidenced as such throughout this report.

National indicators, known as Performance Accountability Measures (PAM) are published and historically have been used to compare Local Authorities against the same indicators. Due to the current Coronavirus Pandemic the national comparison for this year will unfortunately not be undertaken and therefore the analysis of this year's indicators will be based on our own performance compared to that of the previous year.

We noted in last years' Annual Performance Report 2018/19 that we would aim to improve our performance in 2019/20 by monitoring all PAM indicators through the Corporate Scorecard, the majority on a quarterly basis and the remaining indicators on an annual basis, so that improvements could be identified and undertaken sooner in the year. We also agreed, for the first time, to use the Corporate Scorecard to monitor our performance against our council objectives.

This change has ensured that the council objectives are the focus of performance reporting rather than only RAYG status (definition below). This process gives our Senior Officers, Elected Members and members of the public a regular assessment of our performance and can be used to instigate corrective / mitigation measures.

The pie chart below (chart 1) shows that during 2019/20, 58% of our indicators either improved or maintained performance and 22% declined in performance when compared to the performance of 2018/19.

9% of the indicators are new indicators for the year and do not therefore have performance data for 2018/19 to be compared to, whilst 11% of the indicators can't be compared due to changes in the method for calculating the performance indicator or because there was no result available due to the performance indicator not being published.

Performance Indicators 2019/20

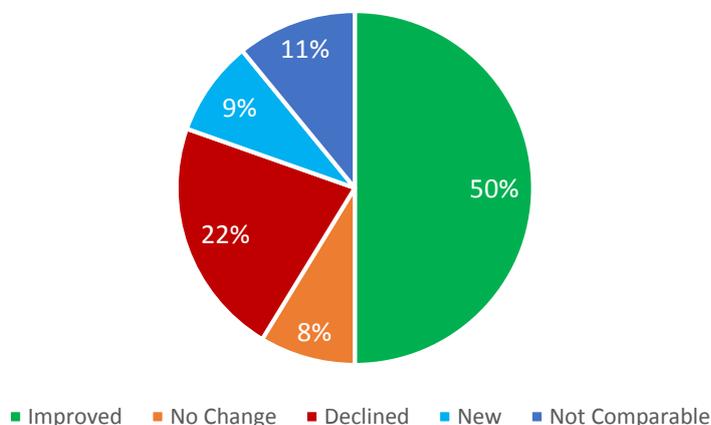


Chart 1

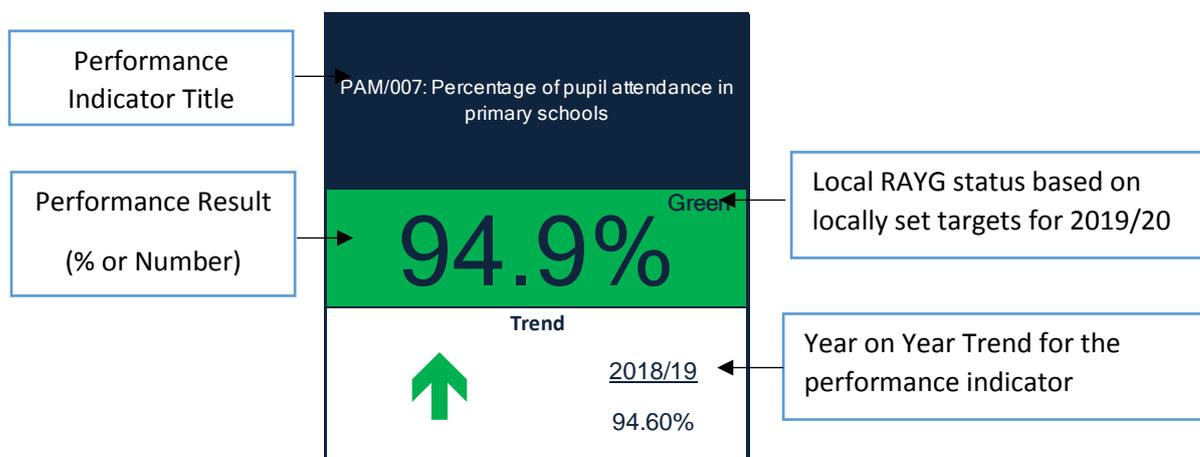
It should also be noted that 66% of the indicators performed above their targets for the year, 17% were within tolerances of the target (Yellow on the Scorecard), 13% were below target (Amber or Red on the Scorecard) and the remaining 4% were not able to be collected for the reasons already discussed. This it could be argued is a positive reflection of how performance was managed during 19/20 but further detail and discussion can be gleaned from the following chapters of this report.

How we present our performance:

The image below explains how we present our performance trends within the scorecard and throughout this document. The progress in relation to objectives during 2019/20 is presented as text within a chart and is colour coded to represent a progress status, referred to as a RAYG status:

- Red = 10% or more behind target
- Amber = between 5% and 10%
- Yellow = within 5% of target
- Green = on target

The RAYG status is brought together with relevant Performance Indicators at the end of each section. The Performance Indicators are displayed as the example below, which consists of the local RAYG status and our year on year trend.



Objective 1: Ensure That The People Of Anglesey Can Thrive And Realise Their Long-Term Potential

Jobs and Work Opportunities

What we have done

We have continued to ensure that projects that stand to be delivered on Anglesey through the North Wales Growth Deal remain a regional priority. Development work on the North Wales Growth Deal to drive local and regional economic growth by assisting the North Wales Economic Ambition Board has also progressed well over the year.

The North Wales region has in principle successfully secured substantial funding through the Growth Deal (£240m) to support the delivery of Holyhead Gateway, Morlais Tidal Array, Digital Connectivity and the Nuclear Energy Centre for Excellence projects. The Island could also benefit directly and indirectly from the other Growth Deal Programmes. The aim is to agree the final Growth Deal with UK and Welsh Government before the end of the 2020/21 financial year.

During the year we have prepared the North Anglesey Economic Regeneration Plan to support economic regeneration in North Anglesey. This plan is critical due to the suspension of the Wylfa Newydd project, the closure of the Rehau Plastics factory and the impacts of the reductions in staffing levels and activity at Wylfa Power Station as decommissioning proceeds. The Plan was formally adopted by the Council in July 2019.

In December 2019, the Nuclear Decommissioning Authority (NDA) approved a grant bid by the council for £495,000 from its Socio Economic Funds, to be spent over a 3 year period, to support implementation of the Plan.

A further £38,000 of funding was also secured from Welsh Government's Enabling Natural Resources and Well-being Scheme to develop proposals for environmental projects in North Anglesey.

After almost 20 years of vacancy, the Holyhead Market Hall once again reopened the iconic front gates on September 2nd 2019. Now housing the Holyhead Library, a local history centre, a community forum area plus meeting rooms with commercial and office space available to rent on the first floor, the building is once again becoming the heart of Holyhead's town centre and community life.

Holyhead Market Hall was refurbished and brought back into use with external funds of around £4m from National Lottery Heritage Fund (NLHF), Welsh Government, European Union grant funds.

Further information on the Market Hall can be found in the case study at the end of this section of the report.

NLHF funding of £1.5m has also been secured for a further phase of the Holyhead Townscape Heritage Initiative (THI) to improve empty or run-down historic buildings in Holyhead town centre

A further £3.25m was secured from Targeted Regeneration Investment (TRI) for the Empty Properties in North West Wales project led by the council, which not only provides match funding for the Holyhead THI Phase 2 but also helps fund First Time Buyer and Landlord Empty Homes Grants in Anglesey and North Gwynedd. TRI funding was also secured to fund studies to inform the redevelopment of the closed school sites in Holyhead.

As part of the Holyhead Strategic Infrastructure Project the construction of 10 new business units, to support of the Island's businesses, is being completed at Penrhos, Holyhead.

Wynne Construction were appointed to redevelop the former heliport into business units. This development will provide 30,000 sq ft of office, light industrial and storage space to enable business growth and support the low carbon energy sector. Electric vehicle charging points are also situated on site.

Anglesey's Economic Development officers successfully applied for £2.3m from the European Regional Development Fund (ERDF) through the Welsh Government and, in a first for Anglesey, agreed an innovative joint venture, worth £1.6m, with the Welsh Government.

The project is part of wider plans to develop Anglesey's Enterprise Zone and Energy Island Programme. Construction will be complete and the units will be ready for businesses later in 2020.

Anglesey County Council economic development and major projects portfolio holder Cllr Carwyn Jones said: "There are currently a significant number of major private sector low carbon energy projects under development on Anglesey, including the exciting Morlais tidal energy scheme.

"We are working to ensure that the necessary infrastructure is in place to ensure the Island benefits from these business opportunities."

Economy Minister Ken Skates said:

"The joint venture we have agreed further demonstrates our support both to this hugely important sector and to a region that is quickly becoming genuinely world-leading as a centre of excellence for low carbon energy.

"It will also contribute toward creating the type of inclusive and sustainable prosperity in North Wales that we are working hard to drive through our Economic Action Plan."

The Anglesey Energy Island Programme is a collective effort between several stakeholders within the public, private and third sectors working in partnership, putting Anglesey at the forefront of low carbon energy research and development, production and servicing, and bringing with it potentially huge economic rewards.

Energy Island's vision is to create a once-in-a-lifetime opportunity for jobs, economic growth and prosperity through capitalising on several transformational projects on Anglesey.

The Energy Island Programme collaborates with several key stakeholders to:

- Attract and de-risk major strategic investment
- Influence potential developers
- Support development of competitive people and communities.
- Support development of competitive businesses
- Support development of competitive infrastructure
- Realise the benefits major projects can bring and mitigate adverse impacts
- Maximise long-term legacy benefits

We will continue to utilise the Energy Island Programme to engage with key public and private sector stakeholders and potential major energy investors to promote opportunities and influence potential investments.

We continue to influence and respond to all consenting processes relating to major developments ensuring that opportunities are capitalised and any negative impacts are identified and mitigated accordingly. We are currently engaged in responding to the following developments and projects:

- Wylfa Newydd Nuclear New Build
- Morlais Tidal Array
- Traffwll Solar Farm
- Holyhead Marina Development

Holyhead Waterfront Development

Flood Alleviation Projects

Whilst all of the above are positive i.e. demonstrates the areas which have been progressed. It is also worth noting that Anglesey's already fragile economy has been particularly hard hit by the onset of the Covid-19 pandemic. By the end of May 2020, disproportionately severe impacts on certain sectors, particularly tourism and hospitality (the island's principal economic sector), and on young people, had undoubtedly brought severe hardship to many businesses and impacted on many individuals and their families.

Tourism, hospitality and its related supply chain had lost some 40% of annual potential income generally made over the Easter holiday period. Almost a quarter of Ynys Môn's employees (6,400 individuals or 24.6%), were furloughed by the 31st May (increasing to 7,700 by 31st July), and some 2,700 self-employed individuals were dependent on government support through the SEISS self-employed scheme. Numbers receiving Universal Credit 'out of work benefits' had doubled (from 1,335 in March 2020 to 2,615 in May), an increase in rate from 3.3% to 6.3% (this increased to 6,275 individuals, or 6.6% by 31 st July). Young people were particularly hard hit with 11.7% of 18-24 year olds claiming UC 'out of work benefits' by 31 July compared to 6.6% of the working population as a whole.

As a result the Council are in the process of formulating a recovery plan, which aims to:

(i) put in place an agreed framework and a range of actions and initiatives which can be proactively implemented, collaboratively and in partnership with others, to address post Covid-19 economic recovery and the issues faced by local businesses on the Isle of Anglesey since the onset of the pandemic; and also

(ii) in addition to laying the foundations to facilitate 'recovery', start to restructure the local economy to attempt to ensure greater future resilience and potential growth a 'sister plan' addressing specific issues facing the tourism and hospitality sector and the management and development of Ynys Môn as a visitor destination is also being produced.

Given, however, the nature of this developing plan and the likely resource requirements to implement, the Council cannot, by itself, drive recovery. With finite resource and capacity, **partnership and collaboration is essential**. Engagement nationally and also regionally via the North Wales Economic Ambition Board will be key. Locally, organisations such as Menter Môn, Medrwn Môn and Môn CF will have crucial roles to play as will town and community Councils. Effective and meaningful engagement and collaboration with the private sector and its representative bodies (such as the Federation of Small Businesses, the Anglesey Tourism Association and Chambers of Commerce and trade), will also be vital in defining and delivering the priority interventions needed to maintain employment, support businesses and drive the post Covid-19 economic recovery.

Education And Skills

What we have done

1. The official opening for Ysgol Santes Dwynwen in Newborough was held on the 29th of April 2019. The school replaces the four schools of Ysgol Bodorgan, Ysgol Dwyran, Ysgol Llangaffo and Ysgol Niwbwrch.

The new £5m school, accommodates pupils who will benefit from the latest facilities and resources to include modern and well equipped classrooms and suitable outdoor areas for play and learning. The

project was part funded by the Welsh Government through the 21st Century Schools Programme.

To see a video which demonstrates some of the projects undertaken through the 21st Century Schools Programme please click on the link below:

<https://www.anglesey.gov.uk/en/Residents/Schools-and-learning/Modernising-Anglesey-Schools/Creating-schools-for-the-21st-century.aspx>

New childcare provision on a number of the Island's school sites has been developed using funding from the Welsh Government's Childcare Offer Capital Programme. Two state-of-the-art cabins have already been built at Ysgol Morswyn, Holyhead, and Ysgol Pencarnisiog. These will offer childcare provision throughout the day, as well as holiday care.

Gofal Rhosfair, a new childcare provider at Ysgol Santes Dwynwen, has also started an after school club on the site.

2. On the 20 January 2020 Anglesey's Executive agreed to consult on the future of primary school provision in the Llangefni area.

Members of the Executive authorised officers to conduct a statutory consultation on proposals that could see £16m invested in education in the Llangefni area.

A statutory consultation period of six weeks took place from 6 February to 20 March 2020 on the following proposals;

- Re-locate and build a new £10m Ysgol Corn Hir on a different site to accommodate pupils from Ysgol Bodffordd, close Ysgol Bodffordd and review the catchment areas of Ysgol Bodffordd and Ysgol Corn Hir
- Increase the capacity of Ysgol y Graig with a £6m expansion to accommodate pupils from Ysgol Talwrn, close Ysgol Talwrn and review the catchment areas of Ysgol y Graig and Ysgol Talwrn

Work, which was halted in part due to the impacts of the pandemic, is now underway to analyse all responses from the consultation period and collate a summary of the responses into a consultation report to present to the Executive as soon as is reasonably possible.

Education Portfolio holder, Councillor Meirion Jones, explained, "The aim of our modernisation programme is to create the best possible educational environment for teachers, staff and provide the best possible education for the future of our children."

Since Anglesey's School Modernisation Programme began in 2012, the County Council has invested some £22m in education on the Island with new 21st century primary schools built

and opened in Holyhead, Llanfaethlu and Newborough. Welsh Government funding to build more new schools fit for the 21st century is currently available.

3. The way forward regarding educational provision in the Seiriol and Amlwch areas were not developed as expected during 2019/20 but are currently being developed with a view of progressing further in 2020/21. Further information will be available in due course dependent on the current coronavirus pandemic.
4. We continued to implement our strategy to develop the Welsh language within our schools by increasing the number of pupils undertaking teacher assessments in Welsh.

The strategy has seen an increase of 16% of pupils educated and assessed through the medium of Welsh in the Foundation Phase since 2015 where 71.4% undertook assessments in 2015 to 87.5% who took assessments in 2019.

In Key Stage 2 there was an increase of 16.8% over four years. There was also a small increase in Key Stage 3 but this was minimal.

In Key Stage 4, 65% of pupils studied Welsh as a first language, with a further 10% studying Welsh as a second language.

The emphasis of the Strategic Plan for 2020/21 will primarily be on the Secondary schools.

5. Denu Talent Môn was successfully held again in summer 2019 where 9 young people were employed over a 12 week period in work placements throughout the Council Services.

The scheme provided an opportunity for young people to gain new skills, confidence and get an insight into the diverse range of careers that working in local government can offer. Following the scheme, 2 young people were successful in gaining employment with the Council this year while the others continued on to further education.

We believe that this is a good example of nurturing talent in order to contribute towards a prosperous Council, County and Country.

6. We have successfully appointed a lead officer on wellbeing, co-ordinating the work of the Education and Children & family Services and improving the integration of Mental Health grants for children and young people which has enabled us to co-ordinate our provision for promoting the well-being of pupils, particularly those that are vulnerable.

Better attention is now given to strengthen our processes to identify and support our most vulnerable pupils through stronger collaboration with other departments, especially the Children's and Families Service. We also have stronger collaboration with other multi-agencies which offers increased support to schools to provide services that promotes the well-being of pupils.

Health And Well-Being

What we have done

1. We remain committed in working to increase the contribution made by our residents, with an emphasis on young people, in sport and leisure activities. An integral part of this has been the work undertaken to modernise our fitness rooms and 3G provision on the Island.

As a result of the developments to our facilities and effective promotion and marketing the number of Direct Debit memberships increased significantly over the past 12 months. We have also developed a Corporate Membership package, which 30 local companies have already signed up to.

2. The Swim Safe event which was supported by Swim Wales and the RNLI, teaches children where it's safe to swim, how to float, and what to do if they or someone else get in trouble. The successful SwimSafe sessions at Trearddur Bay were organised by the County Council's Môn Actif and Destination teams in June 2019.

Leisure portfolio holder Carwyn Jones said, "Anglesey boasts an incredible 140 mile coast line, so it's vitally important that our children are aware of the importance of water safety."

He added, "These SwimSafe sessions were hands-on and fun - but also extremely useful in educating our children on the dangers of water. It was great to see this partnership in action at Trearddur Bay, with the common goal of emphasising the importance of water safety."

RNLI volunteers were also on hand to provide an educational talk highlighting the importance of water safety. Tours of the Trearddur Bay lifeboat station were also given to the children.

Gecko Surf School also provided the children with fun surf lessons alongside a team of volunteers from Surf Lifesaving Wales who held a surf lifesaving session. Six primary schools on the island attended the sessions

3. Over the year, by working with owners and other partners we helped bring 104 houses back into use as well as create 7 new homes so that they become homes for individuals, couples and families. It was 29 more houses than were originally anticipated for completion during 2019/20 and this work was funded from the Council Tax Premium and ensures that local people are able to access suitable housing in their local communities.

This result is on top of the 87 homes created in 2018/19, and the 75 created in 2017/18. This is a total of 273 homes developed since the start of the 2017-2022 Council Plan which are no longer empty or unsafe and are available for use within our communities.

The Electoral Wards which have seen properties being brought back into use are as follows

Aethwy - 6
Bro Aberffraw - 1
Bro Rhosyr - 5
Caergybi - 25
Canolbarth Môn - 15
Llifon - 10

Lligwy - 2
Seiriol - 9
Talybolion - 5
Twrcelyn - 18
Ynys Gybi – 8

7 new homes
Canolbarth Mon - 2
Llifon - 1
Seiriol - 2
Twrcelyn – 2

Case Study – Market Hall

The Grade II listed Market Hall building lay empty for 20 years and increasingly at significant risk. Built in 1855 as the Holyhead's first civic building, it soon became the hub of community life across Holyhead and North Anglesey, serving as the main market for a wide hinterland. As shopping patterns changed through the introduction of large out of town superstores and online shopping the building's original use increasingly became obsolete. Falling into vacancy, its condition deteriorated significantly after 2000.

In response to community concerns for the future and condition of the building the Council commenced discussions in 2010 to explore what options for its use may exist which would ensure a sustainable end use that respected the historic character of the building and its impressive architecture, while remaining relevant to the local community. After not being able to secure a negotiated route to effect a change in ownership to secure the building, the Council took direct action including compulsory purchase.

Following securing substantial grant assistance from the National Lottery Heritage Fund, Welsh Government and European Development Fund, the Council was able to implement a comprehensive project for the building's repair, enhancement and reuse, with works commencing on site in 2017. The project involved considerable alterations that while changing the internal layout of the former main hall area, retains the sense of space and retains considerable historic fabric.

The Market Hall building re-opened on the 2nd September 2019, after twenty years of vacancy and falling into a derelict state. Direct intervention by the Council in 2015 through a Compulsory Purchase Order secured the transfer of the building's ownership. Main contact Works commenced in 2017 and were completed after two distinct phases on 18th July 2019, allowing follow-up fitting out of the Library space and meetings rooms. This facilitated the closure and transfer of the old Library items and the reopening 6 weeks later in the revitalised Market Hall.

The new library is bright and modern, whilst also retaining the listed building's original characteristics and unique sense of history. The library boasts many new facilities; from phone and tablet charging stations, to self-checkout stations where service users can borrow and return library books easily. There is also a teen focused area, and a local history centre, dedicated to Anglesey's past.

An exciting new event space is found at the heart of the library, where an array of activities and events will be held. Visitors to the library can also take advantage of the flexible social space to meet friends, take part in reading groups or just enjoy a chat.

The library also has a Changing Places toilet, which meets the needs of those with profound learning and/or physical disabilities. Holyhead Market Hall is the only public building on the Island to provide such facilities, in advance of this becoming a mandatory requirement for all new public buildings.

Deputy Minister for Culture, Sport and Tourism, Lord Ellis-Thomas, said “We’re delighted to have been part of this exciting project, and it’s been a pleasure working alongside Anglesey County Council to ensure a new lease of life for Holyhead Market Hall.

“Following investment from the Welsh Government, I’ve seen excellent examples where Libraries have been co-located with other public services and cultural facilities which helps to create a greater sense of community spirit and I’m sure that the same will be true of Holyhead Library.”

Education, Libraries, Culture and Youth portfolio holder Cllr Meirion Jones said “The new library will provide a great community resource at the heart of Holyhead. The new library is modern, spacious and provides a diverse range of facilities, and is housed in this fantastic, newly refurbished Market Hall building. I firmly believe that local residents will be very impressed with this new state of the art facility – it will prove to be a really valuable learning resource for the Holyhead and wider Anglesey community.”

The project has recently won the Royal institute of Chartered Surveyors (RICS) Social Impact Heritage in Wales Award and has now been shortlisted for the UK awards to be announced later in the year. The judges believed that *“the revitalising of Holyhead Market Hall has not only conserved a landmark building in Holyhead, but has also provided a much need social facility with a diverse range of activities. The remodelling of the building in a way that also retains and presents the historic features of the building is impressive. In addition, the approach to energy efficiency and mitigating some of the effects of climate change is sensible and is something that others should follow. The combination of these and other attributes makes this a worthy winner.”*

The project was also short-listed for the Royal Town Planning Institute (RTPI) Awards for Planning Excellence 2020, Excellence in Planning for Heritage and Culture category.

Performance Indicators & Analysis

Objective 1 - Ensure that the people of Anglesey can thrive and realise their long-term potential	RAG	Trend	Result	Target	2018/19
1) Percentage of pupil attendance in primary schools (tymhorol) (Q3)	Gwyrdd / Green	↑	94.9%	94.6%	94.6%
2) Percentage of pupil attendance in secondary schools (termly) (Q3)	Ambr / Amber	↓	93.9%	94.4%	94.4%
3) Percentage of Year 11 leavers not in Education, Training or Employment [NEET] (annual) (Q4)	Gwyrdd / Green	↓	2%	3%	1.10%
4) Average Capped 9 score for pupils in year 11 (annual) (Q3)	Melyn / Yellow	n/a	345.4	349	349.1
5) Percentage of pupils assessed in Welsh at the end of the Foundation Phase (annual) (Q4)	Gwyrdd / Green	↓	87.50%	-	88.30%
6) Percentage of year 11 pupils studying Welsh [first language] (annual) (Ch4)	Gwyrdd / Green	→	65.01%	-	65%
7) Percentage of Quality Indicators (with targets) achieved by the library service (annual) (Q3)	Gwyrdd / Green	n/a	75%	75%	82%

Objective 1 - Ensure that the people of Anglesey can thrive and realise their long-term potential	RAG	Trend	Result	Target	2018/19
8) Number of visits to leisure centres	Ambr / Amber	↓	530k	553k	553k
9) Percentage of food establishments that meet food hygiene standards	Gwyrdd / Green	→	98%	95%	98%
10) Percentage of high risk businesses that were subject to planned inspections that were inspected to ensure compliance with Food Hygiene Legislation	Gwyrdd / Green	n/a	92%	90%	-
11) Percentage of NERS clients who completed the exercise programme	Gwyrdd / Green	↑	75%	50%	70%
12) Percentage of NERS clients whose health had improved on completion of the exercise programme	Gwyrdd / Green	↑	84%	80%	83%
13) Number of empty private properties brought back into use	Gwyrdd / Green	↑	104	75	78
14) Number of new homes created as a result of bringing empty properties back into use	Gwyrdd / Green	n/a	7	4	9
15) Number of additional affordable housing units delivered per 10,000 households (annual) (Q4)	Gwyrdd / Green	n/a	124	-	53
16) Landlord Services: Percentage of homes that meet the Welsh Housing Quality Standard (WHQS)	Gwyrdd / Green	→	100%	100%	100%
17) Landlord Services: Average number of days to complete repairs	Coch / Red	↓	16.44	12	13.63
18) Percentage of tenants satisfied with responsive repairs (annual) (Q4)		n/a		-	-

All of the identified indicators for Objective 1 have performed well during the year compared to their targets with the exception of 2 indicators which were within 5% of their set targets for the year, and 2 indicators which were more than 5% over their targets. 6 of the indicators either improved or maintained upon their performance from 2018/19 whilst 3 of the comparable indicators declined compared to 2018/19.

One indicator does not have any data for 2018/19 and therefore can't be compared with previous years, whilst two indicators can't be compared due to changes in the measurement of the indicators, both however have performed well in comparison with their targets.

Unfortunately 2 of the indicators were unable to be collected this year due to the cancellation of the national comparator indicators (Public Accountability Measures).

Attendance at our schools demonstrated an improvement in the primary provision, maintaining our standing of Upper Quartile on a national basis. A slight decline was seen in the Secondary provision, however, our overall national performance has improved as there has been a greater decline in attendance by other authorities over the year. This has seen us placed in the Upper Median Quartile (7th – 11th nationally) this year compared to the Lower Median in 2018/19.

Our Empty Homes project has once again ensured that we managed to get another 104 empty properties back into use and a further 7 new homes available to our residents improving their opportunities within local communities. Our landlord duties of completing repairs to homes within a set number of days has declined, this will be a challenge progressing into 2020/21 with the required revised working arrangements as a result of the pandemic. Consideration will need to be given to managing this safely.

We have unfortunately seen a decline in the use of our Leisure Centres over the year compared to 2018/19. Looking back on other years we do believe that our performance in 2018/19 was exceptional and the targets we set for 2019/20 were unfortunately based on these figures. We do

however compare favourably with previous years with this year being the 2nd highest attendance since the monitoring of the Corporate Scorecard, and 22k visits above the performance of 2017/18 and 66k above 2016/17. With the closure of our facilities as a result of the pandemic hitting previous years targets will be nigh on impossible this year and therefore further consideration will need to be given to the relevance of this indicator for 2020/21 as Leisure Centres currently are open to members only.

Objective 2: Support Vulnerable Adults and Families to Keep Them Safe, Healthy and As Independent As Possible

Support For Older And Vulnerable Adults

What we have done

1. Progress on planning for the development of Extra care accommodation in the south of the island has not progressed due to lack of suitable site availability. . As a result, over the next few months, dependant on coronavirus implications, a revised action plan will be considered and progressed in partnership with key stakeholders to review provision on a wider basis so that a second Extra Care provision can be developed .
2. The Shared Lives programme provides support for people living with dementia and their Carers. The focus is on early intervention for individuals presenting with moderate needs, and look specifically to offer respite & short-break provision. We are currently working with 3 enablers who are at various stages of the registration process.

Reviews of each premises have been undertaken and enablers are currently undertaking a training programme. We anticipate they will be in a position to support individuals during the Autumn.

3. During the year, we further developed a weekly programme of group activities for people with mental health issues with a focus on recovery, well-being, physical activity and reducing social isolation. Some of the programme is run in conjunction with third sector organisations, the council's nature park wardens and Betsi Cadwaladr University Health Board.

A key feature is co-production with people with lived experience and the use of local resources across the island.

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

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

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

We also started work on developing a virtual community hub programme by developing a website and associated "app" with activities, information and advice. This work will continue into 2020/21 and will perhaps play a vital role in our ever-changing social interactions as a result of this pandemic.

The mobilisation of community volunteers to maintain contact and support the most socially isolated in the community has been highly successful during the Coronavirus pandemic.

An action plan to expand the number of 'Good Turn' schemes across the island is being driven by Medrwn Mon to support and develop more locally resilient communities.

5. Work to establish three Community Resource Teams (CRT) which brings staff together from Health and Social care in order to be closer to the community that they serve located in Amlwch, Ysbyty Penrhos Stanley and Llanfairpwll was undertaken during the year. All Health and Social Care staff have been designated to their allocated CRT in the three areas.

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

Plans to transfer staff to designated sites is now on hold due to the impact of the coronavirus pandemic, however, we intend to agree with partners an interim virtual CRT pending moving to the designated sites as part of our recovery plan.

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

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

Impact of the Coronavirus pandemic has 'paused' progressing on the action plan, however, consideration is being given to driving forward this key agenda with a view of establishing an improved model for service users into the future.

[Support For Families And Children](#)

What we have done

1. During 2019/20, for the benefit of families into the future, we have begun the work of building 25 new properties on the island as part of a programme to increase the housing stock from 3,800 to 5,000 houses in the next 30 years. These are the first new council housing stock built by the us for decades and builds on the success we've seen in bringing empty properties back into use over the years. A total of £5.6M was spent in 2019/20 on the acquisition of existing properties, mainly old council housing stock, and the development of the new properties.

We collaborated with Creating Enterprise, a subsidiary of housing association Cartrefi Conwy, on the design of the timber-framed properties. The buildings will use high performance insulation to make the homes completely draught free, cutting heat loss to create a home with minimal environmental impact.

Work on building the development of four one-bedroom bungalows for older people for the town of Holyhead was undertaken in August. The Maes yr Ysgol scheme is next door to our Morawelon housing estate and it will offer tenants an option for downsizing, thus releasing much needed family homes.

Housing and Local Government Minister Julie James, said: "We provided Anglesey County Council with over £480,000 of Innovative Housing Programme funding for this fantastic initiative, creating carbon neutral homes for the future and also enabling young people to learn skills for employment.

“It ticks every box you can think of and it is definitely the way forward for Welsh housing, with the local council working in partnership with the registered social housing landlord and the local community.”

2. Work of promoting Teulu Môn has continued during the year and Teulu Môn has attended 10 events in total during 2019/2020. These have included fun days, parent’s evenings and open day events. Teulu Môn took part in the Early Action Together event in July 2019, and this event celebrated the work that was completed in partnership with all agencies and the community on adverse childhood experiences (ACE) during the past two years. This work has led to referrals that display awareness of ACE’s and the effects of trauma on individuals and families.

A total of 3956 referrals were received in Teulu Môn in 2019/20. This was a 363 (8.4%) decrease as opposed to the total of 4319 received in 2018/19. The decrease is considered due to a reduction in referrals from North Wales Police as they implement the Early Action Together, ACE’s strategy and the Early Help Hub together with Teulu Môn.

We have secured funding to assist us with the development of the one front door programme. “The One Front Door” is a multi-agency meeting that will discuss domestic abuse cases at the earliest possible opportunity, addressing issues before the risk is escalated. This work is funded by The Home Office and we are assisted by Safe Lives to develop an Ynys Môn response to Domestic Abuse.

A new app called NEWid has been developed and launched during the year. The app enables us to do work virtually with children and families in a way that promotes co production.

Action for Children have extended their service to more children in an effort to increase the capacity to respond to the emotional needs of children and young people open to the service. Additional funds have been secured for a mental health programme “The Blues Project” to be provided in every secondary school on the island. Courses will be provided virtually initially and then in Schools from September 2020 onwards keeping to social distancing guidelines.

Action for Children continued to support the young carers of Ynys Môn, by completing assessments and providing support for this group of children. In 2019/20 a total of 117 children received a service from Action for Children.

3. We continued to ensure that the correct procedures were in place to safeguard the children and young people of the Island.

In total 807 Care and Support Assessments were completed in 2019/20.

There are some excellent examples of assessments seen in audits which have been completed in 2019/20. The audits evidenced involvement and focus on individual and combined needs of a sibling group. The audits did also bring up some changes that might improve the service. This is positive and helps us build on the service we provide to our clients into the future.

Cryfder ar y Cyd or the ‘Strength Together’ model which is an inter-productive method of achieving work with parents in a different way focussing on strength and outcomes. It changes how social workers co-produce care/protection plans with families, how social workers produce safety plans and how social workers formulate safety plans with families.

There are examples of effective intervention reducing risk and promoting wellbeing. There are examples of cases of young children have been escalated swiftly when there have been concerns or a failure to create any change, resulting in the children now thriving in their placements. Performance data shows that the level of re registration over the year has been low: and the average time a child's name is placed on the Child Protection register is 224 days compared to the target of 270days which is good.

4. The Council remains a partner in the North Wales Adoption Services (NWAS) and participated in the work to increase the number of Adoptive parent(s) recruited throughout North Wales during 2019/20. There are increasing numbers of children in the care of local authorities who cannot return to their birth families. These children now need permanent, loving families who can provide stability and the opportunity for them to thrive and reach their full potential.

The number of adoption enquires has decreased since COVID-19 with 12 Initial Enquiries received across North Wales in April 2020 as opposed to 21 in 2019/20. The decrease in enquiries is not unique to NWAS and the National Adoption Service and Welsh Government are aware of the situation and the impact Covid-19 is having.

Planned Local Marketing and Recruitment drives, targeting food festivals, Eisteddfod, Ynys Môn Agricultural show etc., have been cancelled due to Covid-19. Marketing and recruitment is being delivered remotely through social media platforms such as Facebook, Twitter and the development of Podcasts with the support of Cowshed.

Virtual panels are a new way of convening panels with Gwynedd and Ynys Môn Panel holding a virtual panel in April and May 2020. This way of working was a learning curve and although they took longer to complete they have worked well. Lessons learned were and are being shared with the other panel chairs and panel advisors across the service.

Social workers are very committed to moving children on to their adoptive placements, where it is safe to do so and there is commitment and hard work to ensure there is no further delay for the child where this can be avoided.

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

The families with whom the team has worked over the last year have often had issues relating to neglect, parental alienation or parental conflict, poor home conditions, physical abuse, domestic abuse, harmful substance use, poor mental health, relationship difficulties, high levels of parent-child conflict (particularly where there are children in their teen years within the home), complex trauma caused by adverse life events (experienced by children, and historically by parents' own traumatic life events which affects their parenting skills/style).

During the year, children and families have taken part in intensive intervention and case-holding, Family Group Conferences, Parenting Programmes and Therapeutic Training.

The team have also delivered in-house therapeutic training to Social Workers, support workers, foster carers, key safeguarding staff in the Education Department, and Families First workers. Separate training courses were offered on topics addressing attachment (formation, trauma, and repair), Trauma-informed Life Story Work, Resilience (assessment and intervention), and Assessing Parental Change.

6. During 2019/20 the Local Authority recruited an additional 7 Foster Carers offering 13 new foster placements for the children and young people of Ynys Môn.

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

7. We have succeeded in managing to get our first Cartref Clyd registered with Care Inspectorate Wales (CIW) during 2019/20. We are currently recruiting to the posts and we will be implementing detailed training plans for each member of staff so that they can open during 2020/21.

We have another one bedroomed property which is going through its registration process and a third property is currently being refurbished in preparation for registration application.

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

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

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

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

“lovely flat enjoyed the independence”

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

“yeah sound place”

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

These developments are key to ensuring our vulnerable young people are provided with the appropriate education and opportunities available to them and enables them to develop and mature in a safe and healthy surrounding with the necessary network of support. This can be demonstrated from the following case study -

Case Study 1 –

A teenage girl was missing from home and the Social Services Department became involved. The Healthy Relationships Worker began working with the girl to address the issues underlying the destructive and inappropriate behaviour of the teenager.

Through identification of underlying issues, the Healthy relationships worker was able to identify steps, activities that would enable the teenager identify behavioural patterns and issues which were unhealthy. Work was carried out included peer group work at school regarding issues around consent and sexting.

Work was carried out to address the issues of family relationships through attending mediation support to improve relationships and provide a supportive home life. The individual was also referred on to the Escape and parallel lines programme which would increase awareness, improve self-esteem and self-respect, enabling the teenager to form healthy, safe relationships and reducing child sexual exploitation.

The primary aim and objective outcome for this individual was to identify what constituted a healthy relationship, to understand what constituted consent, meaning she had the understanding of consequences of inappropriate behaviour and to recognising what rape and sexual assault was.

The teenager was able to identify and recognise the difference between a healthy relationship and an inappropriate one.

The teenager was enabled to keep themselves safe, to increase their resilience against future negative relationship patterns through the empowerment that this early intervention provided.

The teenager stated that they really enjoyed the group work and felt that everyone should receive the peer group work session as she felt this was integral to her understanding of what constituted a healthy relationship, what consent meant and what appropriate behaviour was.

Case Study 2 –

Bob was referred to the Local Asset Coordination (LAC) by a friend.

Our first meeting took place at his home. During our conversation he spoke about his wife, and how he had cared for her until her death. He said that he was very lonely, didn't have anyone to turn to and didn't have any friends or family living locally, they lived other parts of the UK.

Since moving in five years ago he and his wife had experienced anti-social behaviour from the local children, they would throw stones at his car, walk out in front of the car, ring the doorbell, put their hands through the windows to grab at things, this particular incident happened when his wife was ill in bed. Bob also experienced verbal abuse when he went to speak to parents about their children's behaviour towards him and his wife. The Police and landlords were made aware of this anti-social behaviour.

In March 2018, Bob was beginning to express and focus on the "traumas of the previous months, the loss of his wife, being a victim of crime and being made a participant in an unwelcome mental health assessment. Together we prioritised how Brian wanted to manage and deal with what he considered to be these traumatic events.

We liaised with his GP and ensured that Bob had clarification of the correct medication he was to take, and we also supported Bob to attend CRUSE bereavement counselling over a 6 week period. Support and advice with financial matters was also offered to Bob.

In April 2018, we introduced Bob to the Men's Shed. A turning point for Bob was when he 'buddied – up' with friend, who had also recently been bereaved. Both men would meet up at the shed on most days to do whatever work was necessary, litter picking, building raised beds and creating a bird table that involved intricate work.

Not long after, Bob was introduced to the local lunch club volunteers and clients. Bob was also introduced to a local man who was able to help set up a home security system ensuring 24hr CCTV at his home.

Within three months Bob attended two community groups – Lunch Club and Men's Shed. He is actively developing old skills with other men and helping others to learn.

Nine months on, Bob's anxiety has diminished greatly, and he no longer requires intensive contact with LAC. However we retain weekly contact through the Men's Shed and Lunch Club.

Bob attended an IT course to learn how to use Skype and Facebook and how to complete internet shopping and he is now in contact with his family in Japan and Yorkshire.

Bob has given his consent to tell this story, as he said – “the more people that know about what I've been through the better”. “People might then take more time to listen and understand what people go through when they feel so isolated and lonely after the loss of a love one”. “Without the support from LAC I really don't know where I'd be today”.

Performance Indicators & Analysis

Objective 2 - Support vulnerable adults and families to keep them safe, healthy and as independent as possible	RAG	Trend	Result	Target	2018/19
19) Rate of people kept in hospital while waiting for social care per 1,000 population aged 75+	Coch / Red	↑	6.88	3	7.78
20) The percentage of adult protection enquiries completed within statutory timescales	Gwyrdd / Green	↑	91.30%	90%	90.91%
21) The percentage of adults who completed a period of reablement and have a reduced package of care and support 6 months later	Gwyrdd / Green	↑	50%	35%	30.87%
22) The percentage of adults who completed a period of reablement and have no package of care and support 6 months later	Gwyrdd / Green	↑	63.08%	62%	62.84%
23) The rate of older people (aged 65 or over) whom the authority supports in care homes per 1,000 population aged 65 or over at 31 March	Gwyrdd / Green	↑	17.57	19	17.35
24) The percentage of carers of adults who requested an assessment or review that had an assessment or review in their own right during the year	Gwyrdd / Green	↑	98.00%	93%	93.30%
25) Percentage of child assessments completed in time	Melyn / Yellow	↓	89.62%	90%	86.17%
26) Percentage of children in care who had to move 3 or more times	Gwyrdd / Green	↑	8.39%	2.50%	9.52%
27) The percentage of referrals of children that are re-referrals within 12 months	Melyn / Yellow	↓	12.75%	10%	16.96%

28) The average length of time for all children who were on the CPR during the year, and who were de-registered during the year (days)	Gwyrdd / Green	↑	224	270	241
29) The percentage of referrals during the year on which a decision was made within 1 working day	Gwyrdd / Green	→	98.88%	95%	98%
30) The percentage of statutory visits to looked after children due in the year that took place in accordance with regulations	Melyn / Yellow	→	86.30%	90%	86.17%
31) Percentage of households successfully prevented from becoming homeless	Gwyrdd / Green	↑	74.91%	60%	55.10%
32) Percentage of households (with children) successfully prevented from becoming homeless	Gwyrdd / Green	N/A	77.7%	60%	
33) Average number of calendar days taken to deliver a Disabled Facilities Grant	Gwyrdd / Green	↓	159.58	170	161.9
34) Decision Made on Homeless Cases within 56 days (annual)		N/A		-	-
35) The average number of calendar days to let lettable units of accommodation (excluding DTLs)	Melyn / Yellow	↑	21.9	21	-
36) Landlord Services: Percentage of rent lost due to properties being empty	Coch / Red	↑	1.42%	1.15%	1.30%

The performance of the indicators within this objective have performed relatively well against their targets for the year with the exception of 2 indicators which were red. 62.5% of the indicators were above target, 25% of the indicators were within 5% of their targets and the remaining 12.5% were red against their targets.

The indicators within the Children & Family Service (indicators 25 - 30) have all performed well against their targets for the year and are above target or within tolerances of 5%. The good work in the service continues on from the positive CIW inspection in 2018.

The two indicators which were red against targets were in Adult Services and Housing Services respectively. Whilst the performance was disappointing with these two indicators we have been managing the performance of these throughout the year as part of the Scorecard Monitoring reports.

The rate of people kept in hospital while waiting for social care per 1,000 population aged 75+ saw an improvement on the performance of 2018/19, however it was below the challenging target set at the beginning of the year. Our challenges with regards to reablement performance have become clearer since we implemented our area based domiciliary care contracts. Those contracts are generally supporting people to be discharged quickly when they have established packages in place. However due to the pressure of ensuring that we provide reablement to all people new to services we are at present struggling to ensure sufficient capacity. To address this we are both aiming to ensure those receiving reablement do actually require it and we are revising the eligibility criteria, and that our service works to move individuals when their reablement period is complete at the right time.

Capacity to support those with EMI (Elderly Mental Illness) in the residential and nursing sector has also contributed to this overall picture.

We will continue to strengthen our partnership with BCUHB to facilitate swift discharges from all hospitals, with particular attention turning to our Community Hospitals. Additionally we will be reviewing our internal processes by having weekly meetings with our reablement provider to ensure timely discharges from all hospitals. Full implementation of Community Resource Teams will secure the input of Multi-disciplinary team members and a more streamlined monitoring process and

deliver more focused use of resources. Additionally the successful tendering of domiciliary care provision has secured a robust and timely response to hospital discharges and for individuals moving out of reablement in need of ongoing care and support.

The second indicator, the percentage of rent lost due to properties being empty, was directly linked to the average number of calendar days to let lettable units of accommodation which started the year below target before improving as the year went on. The poor performance of that indicator in Quarter 1 had an impact on this indicator and it has not been possible to claw back as much as hoped. Looking forward, we will continue to implement a new streamlined process identified during the year to improve the performance of this indicator for next year, although the impact of the current pandemic will have an impact on this indicator.

Whilst the work undertaken and the performance was good during the year, it is fair to say that there will be much bigger challenges for our services and the sector during 2020/21. We expect higher demand for our older adult services particularly over the winter period, due to the increase in illnesses and weather related injuries, as well as responding to any coronavirus outbreaks.

The recruitment and retention of staff was a particular concern during the first coronavirus wave and there continues to be challenges to recruit staff into the care sector mainly due to the fear and impact of coronavirus. This on top of the increase in demand expected during the winter could put pressure on an already fragile care sector.

We are likely to see an increase in the level of care and support needed within the community for two main reasons. The first being non-covid related such as patients being discharged quicker from hospital with higher support needs and individuals who have a backlog in non-covid related illnesses such as chronic conditions and missed diagnoses of severe illnesses. The second being covid related where some who have recovered from covid-19 may have long term effects on their health.

We expect that as schools begin to see classes self-isolating, this will have a negative impact on working with some of our most vulnerable children and families. We will however, continue to pursue alternative methods for ensuring the safety and well-being of our most vulnerable children and families.

The level of referrals to the Children and Families Service have increased during the year and particularly in regards to domestic abuse, and a second wave could well see yet further harm and more referrals. This will undoubtedly lead to the need for more resources and support for those individuals.

What is clear however is that we have the staff with the tools and abilities to perform and rise to the challenge, as well as the support required for them to continue to work well in these challenging times.

Objective 3: Work In Partnership With Our Communities To Ensure That They Can Cope Effectively With Change And Developments Whilst Protecting Our Natural Environment

Development And Promotion

What we have done

1. We worked towards increasing the number of tourists visiting the Island during 2019-20 by driving to increase our digital presence. We currently have 27,000 followers across social media channels.

During 2019 we focussed our campaign on the all Wales 'Year of Discovery' and managed to have 300,000 unique visitors to the Visit Anglesey website.

2020 will focus on the 'Year of the Outdoors' and we supported Visit Wales to promote this before the lockdown.

During the pandemic period from March to June, we focussed our efforts on ensuring that visitors knew that Anglesey was closed to tourism and that we would welcome them back once it was safe to do so. We have restarted our message of promoting Anglesey tourism with the theme of 'Rediscover Anglesey Safely'. This campaign gives focus to the following messages:

- If somewhere is looks busy, come back when it's quieter and safer;
 - Respect others on the coast, in shops and in our communities;
 - Keep to footpaths and bridleways;
 - Use care parks and spaces, and not private land or highway verges
 - Respect the weather and tide – prepare thoroughly;
 - Research, contact and book facilities and businesses in advance;
 - Take your rubbish home; and
 - Protect yourself, residents and other visitors – follow the guidelines at all times
2. Consultants were appointed to undertake a review of the current Destination Management Plan (DMP) prior to the commencement of the preparation of the new Destination Management Plan for the 2020-2024 period. This work was scheduled to be completed by March 2020, however the current pandemic has delayed this important piece of work.
 3. 36 Cruise Ships were welcomed to the Port of Holyhead during 2019, totalling 21,699 passengers. Two ships were unable to dock due to bad weather on the day.

Events undertaken in 2019 to support the cruise ship arrivals included the opening of St Cybi's church in Holyhead with local Choir performances in St Cybi's church, new pavement signs were created to help promote town centre activities and choirs (banners given to St Cybi's), and postcards, yoyo's and bios were given to passengers as a memento of their visit to our beautiful Island.

Maps of Holyhead and location plans were provided to passengers as well as tourist information pamphlets either on-board the ships or on the jetty. We also supporting the land train activity which travels through Holyhead.

4. Another objective that we have been working towards during the year was to continue to work towards a recycling rate of 70% or over for all household waste by 2025. Steps have been taken during the year and we have been working with four other local authorities in establishing a new waste recycling plant, Parc Adfer.

The North Wales Residual Waste Treatment Project (NWRWTP) entered a new phase during 2019/20 as the Parc Adfer waste treatment facility became operational. Deliveries of waste from the 5 partner authorities commenced on 27 August 2019 as the commissioning phase began, and the plant became fully operational on 20 December 2019.

When we reached the 70% target in 2017/2018 it was a fantastic achievement given that the target for this percentage was 2025. During the last 2 years however the figure has decreased to a point where it is now under 70% (2019-2020 = 67.23%).

The main reason for the drop was from changing our waste disposal contractors to Parc Adfer, where material historically went through a process called Up-Front Waste Sorting. What this consisted of was salvaging any material from the Black bin or recycling centre waste that was recyclable before the remainder of the waste was sent for incineration. Following this process the waste was sent to Andusia in Sweden for incineration. Analysis of what this means in practice demonstrated that we had around 140 tonnes of Black bin waste that was salvaged for Recycling before the remainder was sent for incineration each month (Up to 1,500 tonnes per year). On average, 11.15% of Black bin waste was salvaged each month for Recycling.

Parc Adfer does not operate an Up-Front Recycling waste sorting process, which effectively means less material is recycled overall, however, the amount of incinerator bottom ash and metals recovered is higher on average at the back-end of the process. Everything that goes through Parc Adfer is now sent for incineration which is then turned into energy to fuel up to 30,000 homes in North Wales every year and helps with the decarbonisation.

We will endeavour to once again increase our recycling over the coming years, although it is anticipated that due to the current coronavirus pandemic it will be extremely difficult to maintain the historical high performance achieved, although plans will be developed to ensure we meet the statutory target of 70% target by 2024/25.

5. A programme of work to reduce the energy use on our high use buildings was created and submitted to Salix Finance for funding to support the £250,000 capital fund.

Funding of £2.1m was secured for the project and the programme of work started in October 2019 with completion due in September 2020.

Works were suspended in March due to the Covid outbreak and work restarted in June 2020. The programme is now expected to be complete by November 2020.

A phase 2 feasibility study is ongoing with a view to submit a further application for funding in October 2020.

6. For 2019-20, we set out to work with others to help prepare and develop the most appropriate offering for the Island Games in 2025. In the year we have supported the work of Anglesey's Island Games Committee, this included meeting the Island Games

Associations' Delegates. Support was also given to the successful Island Games football tournament, which took place on the Isle of Anglesey during Summer 2019.

7. Flood alleviation schemes in Beaumaris, Pentraeth and Llansadwrn have all been completed over the year. A total of £2.8M from the capital budget was spent on the projects in 2019/20.

Grant funding was awarded from the Welsh Government during the year to carry out the design and development for Flood Alleviation Schemes in Valley, Menai Bridge and LlanfairPG. Design and Development work is ongoing for the Coastal Schemes in Red Wharf Bay and Brynsiencyn to address the risks of coastal flooding as a result of climate change.

8. We continued to take a stand against 'sky-tipping' during the year as large quantities of balloon and lantern rubbish blighted our stunning coastal path. The 'Friends of the Isle of Anglesey Coastal Path' (FOACP) have been busy once again this year cleaning the remnants of balloons and sky lanterns on and around the Coastal Path.

As Major Projects and Economic Development portfolio holder, Councillor Carwyn Jones, has responsibility for the Council's Tourism, Countryside and Area of Outstanding Natural Beauty (AONB) activities.

Cllr Jones said, "We know sky lanterns and balloons can be a popular part of celebrations, but 'sky tipping' is a real problem. We are urging members of the public and businesses to think twice before releasing balloons and lanterns into the sky.

Once the balloons and lanterns reach the ground, they pose a serious and dangerous threat to wildlife and animals. Balloons, in particular, are often mistaken for food by many species of wildlife. Unfortunately, once balloons have been eaten they can block digestive systems and cause animals to starve. The string on balloons can also entangle and trap animals."

"Our Island is home to the largest Area of Natural Beauty (AONB) in Wales, so it is vital that it is kept clean and litter free."

Property and Waste Management portfolio holder, Councillor Bob Parry, added,

"As soon as these balloons and lanterns reach the ground they pose a significant threat to the environment and wildlife. We want to raise more awareness of this littering problem."

"Anglesey is a beautiful place, and we must all work together to retain its reputation as a natural and clean island."

Anglesey's Countryside and AONB team are also urging businesses to reconsider using balloons at their events, and to consider the long-term effect they can have on the environment and wildlife.

New dog waste bag dispensers helped to tackle and reduce dog fouling in communities across Anglesey during the year. During the past 18 months, many local villages have benefitted from the dog waste bag dispensers, with Town and Community Councils noticing a significant drop in dog fouling. The joint initiative, between Anglesey Council, Natural Resources Wales, and several Town and Community Councils, has so far seen 25 dog waste bag dispensers dotted around the Island and another nine are on the way.

Transformation

What we have done

1. We worked in Partnership with Medrwn Môn to secure £116,000 from Menter Môn and 'Y Gymdeithas', the newly established independent charity which takes over from the Isle of Anglesey Council Charitable Trust, to fund two part time Place Shaping Officers and a key fund for each ward to apply to for costs in helping them achieve their priorities once Asset Mapping had been completed in their areas.

Mapping was completed and an Alliance was set up in the Twrcelyn ward. Three priorities were established and sub-groups set up to work on each priority.

Mapping was completed in the Aethwy ward and staff are in the process of setting up the Alliance there.

Mapping is almost complete in the Llifon and Canolbarth wards with extra meetings held in both wards with the Chief Executive and Deputy Executive to keep the momentum going.

Rhosyr was the last of the areas to be mapped and timetables for gathering the information at community activities and meetings are being drawn up to be completed by the end of the financial year.

2. The Welsh Language Strategy 2016-2021 was adopted by the County Council on 27 September, 2016. This strategy outlines how it is proposed to promote Welsh and to facilitate more extensive use of the language in the area and to set a target to increase or preserve the number of Welsh speakers by the end of the 5 year period. The vision has been set that by the 2021 Census, an increase will be seen in the number of Welsh speakers, with the percentage increasing to at least 60.1% as it was in 2001.

In order to achieve one of the priority areas of the 2016-2021 Welsh Language Strategy, the County Council has adopted an intentional gradual approach for increasing the use of Welsh internally within the Council's administration. In order to work towards this aim, work is in progress to work intensively with services in turn to ensure that the necessary support is in place to increase the use of both spoken and written Welsh.

By now, during the fourth year of the plan, the Council continues to work intensively with the Housing, Leisure and Public Protection Services. It is hoped that the work of providing intensive support will start soon with a new service. As part of the implementation plan, a range of training has been provided to support and motivate staff such as language awareness courses, skills courses, a language technology course and a course on how to conduct and chair bilingual meetings. The Welsh Language Champions within the Services are proactive in supporting and inspiring colleagues to use the Welsh Language. Some staffing changes have taken place in relation to the Champions and this has been beneficial in generating new ideas for promoting and encouraging the use of Welsh on a practical level. Between the 3 services there are 31 language champions (5 in Public Protection, 8 in Housing and 18 in Leisure).

Further information can be found in our Annual Report on the Welsh Language Standards available on our website.

Arfor funding from the Welsh Government is being used to fund business development and Welsh language in business grants on Anglesey. During 2019/20 a total of 14 Welsh language in business grants and 11 business developments grants were approved. Further Arfor grants will be awarded in 2020/21.

3. In our Annual Delivery Document we stated that we were going to start the process of re-tendering our waste management collection services. In June 2019, the Council's Executive gave formal approval for officers to commence a procurement process to award a new contract for Waste Collection & Cleansing Services on Anglesey from the 1st April 2021 for an initial period of 8 years. The procurement has been concluded during the first quarter of 2020/21.

In July 2020, Biffa were announced as the company awarded with the new long-term waste collection and cleansing contract.

The new eight-year contract, with an option to extend, will begin on April 1st, 2021. The new contract is worth £40m over the initial eight-year period.

4. The school meals service provided by the Isle of Anglesey County Council (IOACC) has been outsourced for a considerable number of years and it was an objective in 2019/20 to test the market once again during the year.

Due to budget cuts and re-modernisation of schools, the Authority explored different ideas on how to best deliver the service taking into consideration cost and quality.

Following an option appraisal in July 2019, it was agreed that we should continue with the outsourcing of our school meals service to a specialist contractor, rather than bringing the service in-house. This was undertaken in accordance with procurement rules. Due to the current pandemic and because we had to award the contract in June 2020 in order for the contractor to have 3 months to set up before the new contract came into place, this was near impossible due to the unknown. We have therefore decided to postpone the procurement process and give the current contractor an extension for another year, ending 31st July 2021.

We will be revisiting the procurement of this contract once the coronavirus situation has improved enough to allow us to complete this contract as safely as possible.

5. We agreed in the Annual Delivery Document to prepare a long-term capital investment programme to improve the flexibility of use and appeal of the County Council Leisure Centres. In response to this, a Developing Leisure Provision for Future Generations plan has been prepared and endorsed by the Executive Committee in March 2020.

The priorities for 2019/20 was to complete the modernisation of the Plas Arthur fitness rooms and develop a new small-sided 3G pitch at David Hughes Leisure Centre, both these projects were supported by the grant funding from the collaboration fund and Places for Sport fund respectively. The 3G pitch has now been completed, with the modernisation of the Plas Arthur Fitness room also completed following a slight delay due to the effects of Covid-19. A total of £103k from the capital budget was spent on both projects during the year.

Positive work has been ongoing during the year with regards to Energy Efficiency improvements within our Leisure facilities.

6. We planned in the Annual Delivery Document to move closer towards realising our digital first agenda in 2019/20. During the year we undertook a lot of work on developing our digital methods of communication with our customers. We replaced many of our paper-based forms by developing many online forms allowing customers access to our Services on a 24/7 basis.

All admissions into schools must now complete the admissions processes by utilising the online forms available on our website. Doing this has saved many working hours and made the process more secure than the paper forms previously in place.

Digital channels have become increasingly important during the lockdown as the Council have provided more services online and this is an area that we will continue to develop into any recovery phase we undertake. The developments in being able to pay for many services online has led to an improved collection of payments from residents and avoids the heavy administrative workload of having to send a bill and then chase up the debt.

An example of how we have taken advantage of digital methods would be with the re-opening of our recycling and library facilities. Users of the recycling centres must first book a slot online to be able to access the site and are informed of the procedures in advance of visiting the site. The same can be said for the library service where some libraries are open on a click and collect basis only. These facilities may not have been able to open were it not for the digital methods put in place as a direct response to the pandemic.

Case Study 4

The O'Toole are continuing to provide all their usual benefits advice and assistance with claims by telephone with advisers working from home. They're receiving many calls for assistance with foodbanks, Neges, housing and rent queries and requests for support, and an initial conversation can lead to many other types of referrals being made.

Mr X from England phoned the O'Toole as he was concerned about his mother Mrs Y who lives alone on Anglesey. She is in her 60's, has suffered two strokes and a brain bleed in the last 12 months, and has since had impaired cognition and Mr X was worried about her lack of danger awareness. Mrs Y's mother, Mrs Z, who lives in another area on Anglesey is in her 80's and has health problems but usually takes Mrs Y shopping. She is now shielding so cannot help her daughter. Another relative usually prepares meals for Mrs Y to heat up but is strictly shielding and self-isolating due to having a paraplegic partner with complex health conditions so is currently unable to help.

Following Mr X's call, one of our Advisers ran a full benefit check and make related claims for Mrs Y by telephone. It emerged from the conversations with Mrs Y that she was unsuitably housed and has many support needs, so she was referred to the Housing Support service who called Mrs Y and completed an application to submit to their SPOA. She has been assigned a Housing Support Officer as a result. The Centre also referred Mrs Y for regular food deliveries from the Neges service, which she was very happy to receive.

We also made contact with Mrs Z, Mr X's grandmother, to perform a full benefits check by telephone. From this, we were able to determine her health had diminished significantly and her

care needs increased, so we were able to help her to complete a request for a review of her current Attendance Allowance award which should now be increased to the higher rate. Mrs Z's deteriorating mobility has caused other problems and after discussing Mrs Z's difficulties and need for additional support, we also referred Mrs Z to the Housing Support Service who completed an application with her.

Mr X was very glad he made the call to us and is very happy with the outcomes for both his Mum and Grandmother.

Performance Indicators & Analysis

Objective 3 - Work in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment	RAG	Trend	Result	Target	2018/19
37) Percentage of streets that are clean	Melyn / Yellow	↓	93.79%	95%	95.60%
38) Percentage of waste reused, recycled or composted	Melyn / Yellow	↑	67.26%	70%	69.86%
39) Average number of working days taken to clear fly-tipping incidents	Gwyrdd / Green	↑	0.96	1	0.2
40) Kilograms of residual waste generated per person	Gwyrdd / Green	↓	206.17kg	240kg	240kg
41) Percentage of all planning applications determined in time	Gwyrdd / Green	↑	90%	90%	80%
42) Percentage of planning appeals dismissed	Gwyrdd / Green	→	78%	65%	74%
43) Percentage of planning enforcement cases investigated within 84 days	Melyn / Yellow	↑	74%	80%	-
44) Percentage of A roads in poor condition (annual)	Ambr / Amber	↓	4%	3%	2.90%
45) Percentage of B roads in poor condition (annual)	Gwyrdd / Green	→	3.80%	4%	3.80%
46) Percentage of C roads in poor condition (annual)	Gwyrdd / Green	↑	8.20%	9%	8.70%

Similar to the first 2 objectives, the performance indicators associated with the objective have performed well against targets. 60% of the indicators were above target for the year, 30% were within tolerance of 5% of the target and the remaining 10% was Amber against target.

A total of £1.9M from the capital budget was spent on road refurbishments during 2019/20. We are happy to report that our B, and C roads have once again met the targets for the year. We do however see a decrease in the condition of our A roads from 2.9% in 2018/19 to 4% this year. This result still performs well in comparison with other destinations throughout Wales but the reduction in funding of repairs is partly to blame here. During 2020/21 we will focus on improving and invest in the state of our A roads to improve this part of our destination.

Our recycling, reusing and composting indicator did not hit the same levels of recycling as in both 2017/18 and 2018/19. Part of the reason for this was due to teething problems in Parc Adfer, which have already been noted in this report. This means that we are no longer ahead of the Welsh Government's target of 70% recycling by 2025, however we will strive to improve on the performance if possible during 2020/21.

Financial Performance 2019/20

This section provides a short summary of the financial performance for the Council over 2019/20. For the detailed financial position for the year please view the Statement of Accounts 2019/20 which is available on our website.

Revenue Budget

Prior to the start of each financial year, the Council is required to set a budget for its day to-day expenditure. This is called the Revenue Budget and is the amount of money the Council requires to provide its services during the year, taking into account grants it receives from the Government.

During 2019/20, the Council's revenue budget was set at £135.2 million (£130.9m in 2019/20).

The council manages its budgets and measures its financial performance through a management account, this enables us to track expenditure against planned activity over the year.

In 2018/19, the Revenue Account spent £134.7 million, underspending by £308 thousand against the planned expenditure of £135.2 million. During the same period, through transformation of services and improved ways of working, the council generated £2.12million worth of savings.

The table below reflects the final budget for 2019/20 and actual income and expenditure against it:

Services	Annual Budget £'000	Outturn £'000	Variance £'000
Lifelong Learning	50,916	50,673	-243
Adult Services	25,205	26,290	1,085
Children's Services	10,274	10,430	156
Housing	1,220	1,143	-77
Highways, Waste, Property	14,662	14,305	-357
Regulation	3,926	3,809	-117
Transformation	4,516	4,205	-311
Resources	3,050	2,880	-170
Council Business & Corporate Finance	21,438	20,956	-274
Total Council Fund	135,207	134,691	308

Capital Expenditure

The capital programme supports the Council's wider objective to deliver services and to support economic growth. Capital expenditure is usually spending of a "one-off" nature and results in the construction or improvement of our asset, such as our properties.

In 2019/20, the Council approved a Capital Programme for non-housing services of £17.282 million and approved a Capital Programme for the HRA (Housing Management Account) of £13.110m. In addition, Capital commitments were brought forward from 2018/19 of £3.065m.

During the financial year, a further £10.450 million worth of Schemes were added to the programme, mostly funded by extra Capital Grants. This brings the capital budget for 2019/20 to £43.907 million.

The programme achieved a delivery rate of 68.36% and it is expected that the remaining schemes will be delivered over the coming few years. Some of the projects completed include a £5.6m spend on the acquisition of existing properties and the development of new properties for our housing stock, £1.85m spent on highway resurfacing and a further £240k on Ysgol Santes Dwywnwen. £76k was also spent on the new David Hughes 3G pitch, £27k spent on the Plas Arthur Fitness Room and £1.9M was spent on the Penrhos Industrial Units. A further £2.8M was spent on flood alleviations works at Beaumaris and Pentraeth and £690k was spent on the Market Hall refurbishment.

This resulted in a total spend of £30.015 million, £19.345 million was added to the value of assets.

Financial Impact of Covid-19

The impact of the pandemic has had a direct impact on the Council's finances but it will also have a significant impact in the future. In the short term, the Council has suffered the additional cost of dealing with the pandemic (£52k in March and £279k in April). These costs include extra IT costs to enable people to work from home, purchasing additional PPE, accommodating homeless people, providing community support, setting up School Care Centres, paying families for free school meals instead of free school meals, higher cleaning costs. These things will be paid for by the Welsh Government but it is expected that costs will continue to rise, with the Council making additional payments to residential and private nursing homes and due to the increasing number of children in receipt of direct payments in lieu of free school meals.

The closure of services has reduced the Council's income level, with a loss of £360k in April and is expected to rise to around £400k per month during the summer months. The main sources of lost income include leisure centre fees, school meals income, car park income, planning fees etc. In addition, the Executive decided not to impose a rent on occupiers of Industrial Units and Miscellaneous Property and not to charge mooring fees for the first 3 months of the financial year. As the crisis continues, the level of lost income continues to rise and if services do not go back to normal during 2020/21, the lost income will be millions of pounds. Although the level of income lost by the Council is considerable, it is not as high as some other Councils in Wales. The Welsh Government has recognised that the lost income will have a significant impact on Welsh Councils and has announced additional funding although they have not yet agreed how that funding will be distributed between the 22 authorities.

The closure of services has meant a reduction in the authority's expenditure for April and this saving has been estimated at around £100k. The main areas of reduced expenditure were in relation to fleet costs and travel costs, reduced payments to main contractors (school meals, bus operators, road maintenance) reduced energy costs at leisure centres and lower administrative costs in offices (paper, photocopying etc).

Looking a little further ahead, the pandemic has clearly had an impact on the economy and will cause more unemployment. As the number of unemployed people increases, the Council will receive more applications through the Council Tax Reduction Scheme. The current budget is £6m and although a large proportion of this is funded through the RSG, any increase will fall on the Council to fund it, unless the Welsh Government provides additional support. At present, the increase in claims is low with an increase of only 0.7% in cases between 31 March 2020 and 8 May 2020. However, this

is likely to increase significantly once the furlough scheme comes to an end and when businesses have to decide whether to continue employing staff or dismissing them.

Further information on the Financial Performance of 2020/21 will be available in next years' report, or alternatively in the Quarterly Monitoring Reports which are discussed by the Executive throughout the year.

Conclusion

Overall, our performance for 2019/20 has been positive and it is encouraging that we continue to improve our services across the board, as is demonstrated throughout the report, as well as completing some important work during the year. The last month of the financial year saw the start of the most challenging period of all with a global pandemic leading us all into uncharted waters. The response from a local point of view has been fantastic with communities coming together and volunteers helping each other out all over the Island.

As part of the emergency response, the Council adapted and changed its approach to protect the workforce, respond effectively, maintain service provision (and introduce new activities). Restrictions are envisaged for some time, with the reconfiguration of services, and work locations necessary to adhere to social distancing requirements and maintain everyone's safety. For example, gathering in person whilst social distancing will be a new challenge.

Despite these challenges, there are also opportunities to ensure the 'next normal' improves performance, service provision, and employee wellbeing. Capturing and incorporating the learning created by the crisis will be important. Opportunities to adopt new virtual technologies have been grasped, becoming more resilient and maintaining critical service provision. It is important that further reform and development is embraced across the whole Council.

As a result of the pandemic and the uncertainty of what is to come into the future, we have delayed the release of our Annual Delivery Document for 2020/21. We will be working on the preparation of the document over the second half of this year where it is proposed that an 18 month delivery plan is agreed.

Further Information

For more information on any element of this document or if you have any comments, please contact:

Human Resources and Transformation

Anglesey County Council

Council Offices

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Anglesey

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This document is available in Welsh and can be made available on disk, in braille and is available on the Council's website along with the Council Plan for 2017-22:

<http://www.anglesey.gov.uk/councilplan>

Further information may also be obtained as follows: Policies, plans and strategies published by the Council and can be accessed at: www.anglesey.gov.uk

Audit and Inspection Reports produced by the Council's Regulators are available from their respective websites, as follows:

- Wales Audit Office: www.wao.wales
- Care Inspectorate Wales: <https://careinspectorate.wales>
- Estyn: www.estyn.wales

If you do not have access to the internet, or would like to obtain a document that is not listed above, please contact the Council via the contact details outlined at the top of this page.

Appendix 1

Listed below are some of the activities undertaken by Council Services over the Coronavirus Pandemic.

- **Resources** – Grant payments made to 1,518 businesses on the Island to a total value of £17.7m; processing of Free School Meals Direct Payments with a weekly average of 1,489 children to a value of £29,035; provision of food packages for a small number of children; continuation of routine work in the form of council tax payments etc.; ongoing monitoring of the Council's financial position and balances.
- **Learning** – establishment of care centres for children of key workers and vulnerable children; provision and delivery of a packed lunch for children eligible for free school meals; provision of education by remote means using a variety of digital platforms; collaboration with ALN and Inclusion Teams and Children's Services to maintain regular contact with vulnerable children; planning for schools' reopening; ensure continued emphasis on the welfare of children and young people and general well-being of the workforce.
- **Housing** – supporting vulnerable individuals in the community via food banks, providing shopping and prescription service for shielding individuals; supporting the homeless, maintaining community safety, resuming emergency housing maintenance work in line with national guidelines.
- **Highways, Waste and Property** – prioritisation of the most critical waste services in consultation with Biffa; planning for and executing the reopening of the Penhesgyn and Gwalchmai Recycling Centres; resumption of essential highways maintenance work, closure of coastal car parks, coastal paths, parks and beaches.
- **Council Business** – creation of Covid-19 Guidance and Regulations Library; creation of a Committee meetings strategy; provision of guidance on remote meetings, minuting and tracking actions from daily EMRT and other emergency meetings.
- **Human Resources & Transformation** – proactive work in producing regular press releases, maximising use of the Council's social media to relay key messages and sharing information on Môn FM; collecting staff data on a daily basis to enable workforce planning and redeployment of staff to ensure the continuation of frontline services; collection of data on aspects of Covid-19 and development of a dashboard for the purpose; facilitating and supporting Council staff to work remotely; developing an online booking system for access to the Penhesgyn and Gwalchmai Recycling Centres; updating the Council's obsolete laptops to help children who do not have access to IT equipment with schoolwork.
- **Regulation & Economic Development** – engaging with local businesses to offer support and guidance in relation to the issues and challenges faced; supporting businesses that are closed; working to ensure recognition for Holyhead Port and to seek an appropriate support package from the Government; collaboration with the Health Board and Field Hospital; involvement in local and regional efforts to establish a contact tracing team; increasing the capacity of the Registrar Service; ensuring compliance with new guidance and regulations in the wake of the Coronavirus Act; monitoring cases in residential homes and providing training on infection control; contributing to the development of a regional plan for arrangements for excess deaths.
- **Social Services** – dealing with the challenges of obtaining and maintaining sufficient PPE levels; testing; mitigating the risk of not being able to staff care homes adequately; tracking and responding to shielding letters; supporting vulnerable families; continuing to fulfil all statutory duties and performance indicators and data.

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	The Full Council
Date:	27 th October 2020
Subject:	Annual Director's Report on the Effectiveness of Social Services 2019/20
Portfolio Holder(s):	Councillor Llinos Medi
Head of Service:	Fôn Roberts, Interim Director of Social Services & Head of Children and Families Services Iolas Richards, Interim Head of Adult Services
Report Author:	Fon Roberts, Interim Statutory Director of Social Services
Contact Officer: Tel: E-mail:	Emma Edwards 01248 751887 Emma.edwards@ynysmon.gov.uk
Local Members:	Relevant to all Members

A –Recommendation/s and reason/s
<p>Purpose of the report: To receive and make suggestions on the final draft report presented by the Statutory Director. The purpose of the report is to promote awareness and accountability for the performance and progress made over the past year in delivering Social Services within Anglesey County Council, despite COVID-19. The report also outlines the focus for improvement for the forthcoming year.</p> <p>Please note that the final report, once agreed, will be published on the Council's website.. The template for which is currently being designed by our Graphic Designer and Digital Marketing Officer.</p> <p>Timetable The report was presented to the Corporate Scrutiny Committee on the 22nd September 2020 and the final report is being shared with the Executive Committee on the 28th September 2020, and then to the Full Council on the 27th October 2020. Dates have been extended in 2020 due to the COVID-19 pandemic. Furthermore, the final report will be published on the Council's website.</p> <p><u>Recommendations</u></p> <p><u>1.1 That Members adopt the Isle of Anglesey County Council's Annual Director's Report on the Effectiveness of Social Services 2019/20</u></p>

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

C – Why is this a decision for the Executive?
The Executive’s approval received on the 28 th September 2020.

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

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

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

E – Risks and any mitigation (if relevant)		
1	Economic	N/A
2	Anti-poverty	N/A
3	Crime and Disorder	N/A
4	Environmental	N/A

5	Equalities	N/A
6	Outcome Agreements	N/A
7	Other	N/A

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

Ynys Môn

THE ISLE OF

Anglesey

ANNUAL DIRECTORS REPORT ON THE EFFECTIVENESS OF SOCIAL SERVICES

2019-20



CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL



@cyngormon

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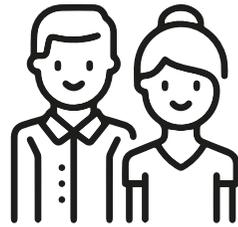
This document provides a summary of our annual self-assessment. We believe it outlines some of our key achievements in the past year, as well as highlighting the challenges that need to be addressed in the coming year.

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

ABOUT OUR SOCIAL SERVICES 2019-20



Total Social Services Budget is **£37,599,160**



Adult Services Budget is **£26,449,150**



Children and Families Service Budget is **£11,150,010**



Total amount of Grant Funding **£2,979,587**



We employ **592** people



476 (83%) of our employees speak Welsh (L3 or above)

WHO WE HELPED & SUPPORT

4,486 contact with Adults

3,956 contact with Children & their families

2,245 of adults receiving information, advice & assistance

1,752 of adults receiving a Care & Support Plan

188 of children receiving a Care & Support Plan

194 individual Looked After Children

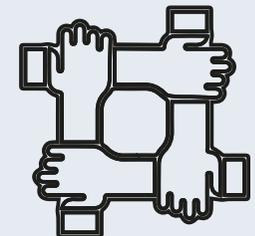
199 individual Children on the Child Protection Register (72 average no of children on register throughout the year)

550 Carers Assessed during the year

245 Welsh Community Care Information System users (WCCIS)

116 of Young Carers supported

52 Foster Carers



Director's Introduction & Summary of Performance

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

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

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

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

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

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



Fôn Roberts

Director of Social Services
& Head of Children
& Families Services

Coronavirus -19 pandemic (COVID-19)

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

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

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

During the lockdown period we have:

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



How are People Shaping our Services?

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

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

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

Page 251 Our key priority for Adults is to promote independence and prevent escalating need. For Children & Families Services it is to ensure our looked after children are given the best possible support and opportunities.

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

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

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

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



CASE STUDY:

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





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

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

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

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

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

Social Services logged 199 **positive comments** received about its services in 2019/20. The Service also logged 65 **negative comments / concerns**, 37 Stage 1 **complaints** and 7 Stage 2 complaints. Consideration is given to any actions needed to implement the learning from complaints, and feedback received about services is regularly reported on and discussed in Social Services management meetings.

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

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

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

THE CHILDREN (ABOLITION OF DEFENCE OF REASONABLE PUNISHMENT) (WALES) BILL PREPARATION

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

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

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

It is likely that the Bill will become operational in 2022. Below is a link to the Welsh Government short introduction to the bill:

<https://youtu.be/iK4O-Cd6Q8I>

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

CASE STUDY:



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

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

Quality Standard I

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

ADULTS

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

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

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

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

Community Resource Teams – Health Board & Anglesey County Council

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

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





On the 1st January 2020, Welsh Government published its revised Part 10 Code of Practice (Advocacy). A copy can be found <https://gov.wales/advocacy-services-code-practice>

Local Authorities are responsible to ensure the new code of Practice is imbedded into daily practice, and we are working on ensuring this happens within Anglesey.



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

Page 255 Through advocacy, people are active partners in the key care and support processes that identify and secure solutions through preventative services; information, advice and assistance; assessment; care and support and support planning; review and safeguarding.

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



CASE STUDY:



Page 256

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

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

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

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

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

Dr MacVicar said, *"This is an important day for the Seiriol ward and all its residents. The memorandum of understanding will play an important role in terms of continued collaboration between partners as we look to play our part in improving the health, well-being and future prosperity of the local area."*

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

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

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

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

Learning Disabilities Day Opportunities Strategy -

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

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

Page 257

What respondents told us about the strategy:

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

CHILDREN & FAMILIES

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

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

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

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

Early help Hub:

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

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

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

PRIORITIES 2020 - 21:

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

QSI - WHAT DIFFERENCE DID WE MAKE?

Key achievements

- 63.08% of people were living independently at home following reablement
- 55 People were delayed in hospital waiting for Social Care
- 89.62% of Children's assessments are completed within 42 days
- 98.88% of our Children Services Managers Decision completed within 24 hours



WHAT OUR PEOPLE SAY?



“Both my husband and myself are extremely appreciative of the help and support given to us by our Care Provider, when I was rushed to hospital recently. The attending carers gave extra time to my husband and they all made sure he was well cared for in my absence. They are exceptional people.”

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

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



Quality Standard 2

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

ADULTS



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

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

Linc and LAC

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

QUOTES:



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

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

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



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

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

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

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

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

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

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

Once the mapping has been completed, Alliance type structures are set up, three key priorities are agreed and an action plan is created to develop alternative and creative solutions to the address the priorities and gaps that they have identified. This work is facilitated by Medrwn Môn and Anglesey Council is committed to ensuring that officers and departments within the Council contribute to discussions and support as part of this process.

This is a process that has worked effectively in the South of the Island, where the Seiriol Alliance is now commissioning it's own community based services in partnership with Anglesey Council.

Assets	Assets could be anything that the residents value and use in a given geographical community from buildings & green spaces, to skills and knowledge of residents, to particular services (libraries, transport etc)	Conversations can look at how assets are used, by who, when etc. Alternatively they can be discussed in terms of how they could potentially be used more effectively within a community.
Gaps and Service Areas	Conversations identify how working in partnership community groups, third sector, public or private sectors can address gaps in services and activities. The term 'service areas' is used to describe the links between one or more services that are needed to work together i.e. third sector, social services and health to ensure activities in Community Hubs help to reduce impact on front line health services through support community activity, redirecting community service such as community pharmacists etc	Where conversations identified good practice in joint working already happening in their communities we explored how this could be shared and replicated. Where gaps were identified we asked communities to offer potential solutions for addressing those gaps.

Priorities or solutions

Conversations always looked at how priorities and solutions can be explored on a whole community approach-encouraging communities to look at how services and community activities are linked and to encourage joint working as opposed to quick, individual fixes i.e. sharing community buildings, spaces and resources to avoid duplication, competition for funding

Evidence looks to identify similarities across the 8 areas in order to provide public, private and third sector services with both an overall view of gaps and priorities as well as area specific information.

WORK TO DATE:

- **Twrcelyn** - asset mapping complete, Alliance set up and three priorities identified. 2 Alliance meetings held and now looking to use the seed funding available
- **Aethwy** - Menai Bridge mapping complete, Penmynydd and Llanfair PG mapping to be completed in January. Two big projects already identified and being facilitated by Medrwn Môn (capital funding applications for Memorial Hall Llanfair PG and Hen Ysgol, Penmynydd)
- **Canolbarth** - Llangefni Mapping complete, outlying areas to be completed Jan/Mid-Feb)
- **Bro Rhosyr and Llifon** - intensive mapping to begin in February, initial Community Councils and small mapping events have been carried out. Llais Ni youth engagement work and priorities have been completed (task and finish) with Llanfaelog Youth Club.

- 2 Community Officers in post since beginning of January- 18.5 hours a week, working with staff in Medrwn Môn to make links in the community (including 6 Local Asset Co-ordinators), carry out the mapping and facilitate meetings with Community Councils.
- Secured mobile exhibition unit to use to engage with people in the more rural areas where there is no community asset. Second round of 5 wards to begin in April 2020.

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

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

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

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

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

CASE STUDY:



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

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

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

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

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

“

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

Care Inspectorate Wales

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CHILDREN & FAMILIES

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

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

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

Community Development & Capacity Building

- To build on recent asset mapping exercise and gain a clear understanding of local resources, gaps and opportunities.
- Develop identified community strengths and sustain and develop further citizenship contributions and involvement to create inclusive services.
- Utilise new approaches to target unmet needs and those currently disengaged from their communities.

- To enable effective collaboration between the community, statutory and voluntary sectors through asset based development and embed cross-sector working practices.
- To promote and facilitate a different culture and practice about how decisions about future services are made- ensuring that the local community is involved in the planning and organising of services that provide improved social value, are accountable to local users and whose outcomes are community driven.

Coordination

- To develop and establish new models of working to reflect the new requirements of the Social Services and Wellbeing Act and Future Generations Act.
- To develop and establish the theory and practical approach to co-production into the Building Communities model and create more inclusive and supportive communities through developing partnerships between communities and organisations in the Statutory and Voluntary sector
- To contribute to strategic developments as required by the SSWB Act mainly the prevention programme for children and families. Establish community based support systems for those specific target area within the Programme
- To build and maintain effective working relationships with children, young people, their families and their communities
- To introduce and establish alternative preventative intervention models that encourage and engage individuals in building stronger and more resilient networks which support those who are vulnerable to adverse childhood experiences.
- To support access to accurate, timely and relevant information and assist individuals and their families to access information through a variety of means and promote self-advocacy





- To promote asset based approaches to encourage children, young people and their families to utilise their personal and local networks to develop practical solutions to meet their needs and desired outcomes
- To build effective partnerships and working relationships with community and statutory services including GP's, Police, community organisations, health, adult social care and children and family services.
- To organise and maintain administrative records/data sharing within the organisation protocols (WCCIS).
- Signpost individuals and families to relevant support processes
- To attend and participate in the "early help hub" meeting on a weekly basis.



"One Front Door" Pilot Project

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

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

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

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

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

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

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

PRIORITIES 2020-21:

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

QS2 - WHAT DIFFERENCE DID WE MAKE?

Key achievements

- **523** of adults required residential care at some point during the year (compared to **518** in 2018/19 and **573** 2017/18).
- **316** of adults were in residential care on 31st March 2019 (compared to **375** on the 31/03/18, and **366** in 31/03/17).
- **100%** of looked after children have an allocated Social Worker.

WHAT OUR PEOPLE SAY?



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

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

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



Quality Standard 3

Protecting and safeguarding people from abuse, neglect or harm.

CORPORATE SAFEGUARDING ARRANGEMENTS

“Safeguarding” remains everybody’s responsibility within the Council.
The Local Authority has:

Main achievements

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

ADULTS SERVICES

Main achievements

- Launched the interim Safeguarding Policy and Procedure and provided advanced safeguarding training for practitioners and managers
- Launched the Mental Capacity Policy and provided training for practitioners and managers
- Built on the previous achievements of our DoLS Team to manage the increased demand for Deprivation of Liberty Safeguards assessments and improved processes to assess quickly and effectively.

- Closely monitored services we commission in terms of the quality of care they provided through domiciliary care, supported living and long term care homes.
- Evaluations of practice shows that the citizen can be confident that
 - Social workers work closely with other professionals to keep adults at risk safe
 - Social workers will respond in a timely way if there are concerns about their safety.
 - Social workers will try their best to make sure that the citizen is at the centre of their safeguarding experience.

CHILDREN SERVICES

Main achievements

- Implemented a new approach to child protection - “Cryfder ar y Cyd”, which aims to work with the family to secure changes to keep a child safe.
- Working hard to make sure that care experienced children are at the heart of their review process.
- Make a difference to families –Children whose names were placed on a child protection register on average spend (242 days) on that register before the risk is reduced and their names are removed from the register. The level of those children whose names are subsequently placed on the register again, within 12 months, is low: suggesting that we are successful in supporting families create and maintain changes that reduce risk to their children.

PRIORITIES FOR 2019/20

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

QS2 - WHAT DIFFERENCE DID WE MAKE?

Key achievements

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



Quality Standard 4

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

ADULTS

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

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

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

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

Anglesey Direct Payments - Throughout the year we have continued to offer Direct Payments as the best option for service users and families to take control of their care package, and live the flexible life they want to lead. The Anglesey DP service has grown considerably over the last financial year from 162 to 210 (106 in 2018/19) which shows an increase of 77.14%.

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

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

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

Page 270 We are currently working with LCD with a view of Anglesey trialling the revised LCD Website Portal. The website portal has been tested and ready to go, LCD have made a few alteration to the project to aid improvement, for example PA's have to be self-employed to take the responsibility off DP clients to employ cooperative staff. Unfortunately COVID-19 has stopped further progress, but go live will happen as soon as it is safe to do so.

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



The **Mencap Môn** Hub was established over four years ago by a group of parents that had sons or daughters with a learning disability. The group has over 300 members on the Island. The Hub also gives opportunities for student social workers and nurses to liaise and gain experience of different learning disabilities as well as offering volunteering opportunities.

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

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

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



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

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

At the end of January 2020:-

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

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

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

- 19 have moved into employment
- 48 have received further training and/or qualifications
- 10 have moved onto a full time education course in College or University 12 have spent time volunteering (5) or in work experience (7)
- 48 have attended the Well-being Hub

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

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

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

CHILDREN & FAMILIES

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

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

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

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





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

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

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

IMPACT Team – our BCUHB based team, funded by the ICF project supports a Preschool Autism Communication Therapy (PACT) and Interactive Music (IM, or Musical Interaction Therapy) are evidence-based therapies, both designed to improve the core “symptoms” of autism by trying to restore the natural processes of development. Parent and therapist work together as partners using video feedback to interpret the child's often puzzling communication patterns, and find ways to respond that will help the child to engage in interaction and develop clearer communication.

PACT firmly places parents at the heart of helping their child, aiming to reskill them with an understanding of their child's communication, to empower them in how to respond, and improve their morale and confidence. Working with parents also enables and beneficial changes in interaction to be carried into the child's everyday life, the context in which early social skills are usually learned.

PRIORITIES FOR 2020/21:

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

QS4 - WHAT DIFFERENCE DID WE MAKE?

Key achievements

- **99.03%** of Adults receiving their service in the language of their choosing
- **52** Anglesey Foster Carers

WHAT OUR PEOPLE SAY?



“The social services response you were part of was really encouraging, and we’re both happy with the result. I’m not a big fan of bureaucracy, but the straightforward home assessment and direct payment system are a simple, practical way of dealing with a practical problem. No lengthy forms, no long waiting times, adaptable and pragmatic. I’m grateful that you made it so easy for us.”

“If [service user] stops needing the help, we’ll let social services know. That’s another great feature of your system; it can adapt to our fluctuating needs and other priorities.”

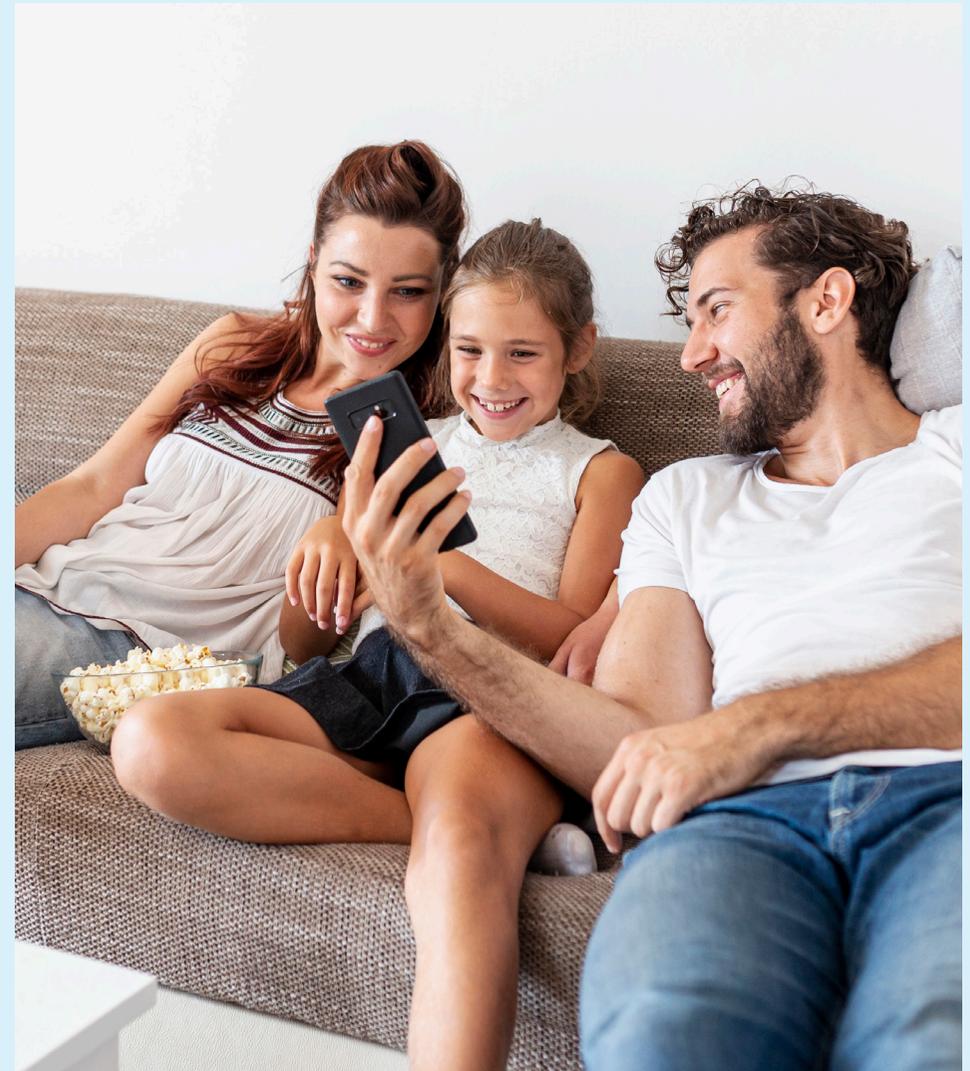
“For the record, the Social Services response has met our needs perfectly and we are very happy with the outcome.”

“TAF Worker really helped me. She was supportive and understanding and didn’t judge me as a mother. She built my confidence up as a person.”

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



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



Quality Standard 5

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

ADULTS

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

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



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

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

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

CHILDREN & FAMILIES

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

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

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

PRIORITIES FOR 2020-21:

- Develop a range of flexible respite options for Carers of individuals with Dementia
- Support the delivery of a range of health related preventative services within Community hubs
- Shaping the marketplace in relation to Older Adults care.

QS5 - WHAT DIFFERENCE DID WE MAKE?

Key achievements

- **98%** of adult carers who were offered an assessment or review of their needs in their own right
- No. of people receiving night owls during the year – **346** total (Galw Gofal **254**, WAST **57**, Planned **35**)
- No. of people receiving reablement during the year – **362**
- **8.76%** Return Home (Child missing)
- **246** TAF referrals received

WHAT OUR PEOPLE SAY?



“I am very grateful for all their (Domiciliary Care) help, their patients, kindness, concern and helpful manner. Everyone has always treated me with respect and encouragement. I need the companionship that comes with the care. Thank you.”

“Please could you let your Adult Social Care team know that this is the clearest answer I’ve received so far and also the most supportive of personal empowerment and the principles of choice and control which underpin Independent Living. I would encourage you to share this good practice at every opportunity!”

“TAF Worker gave me more confidence, uplifted her. She noticed my personal problems and helped me to get some help. Helped the family communicate together and get along better. She has assisted us immensely and helped us all to get along better with new learning tools for us all to work with and we are learning to work together. TAF have been an essential help to us as a family for us all and we would like to thank you all.”

“My sincere thank you to you (Social Worker) for your kindness, understanding and empathy you have shown during the time you worked with us and securing us the best package of support. We will never forget you. You are amazing.”

“The discussion was very beneficial to [parent] and the way the meeting was conducted was made accessible in order for [parent] to participate fully.”



Quality Standard 6

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

ADULTS

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

Page 278 The **Night Owls Service** enables Social Care workers to support people who have been assessed as requiring care needs during the night from 10pm to 8am, 7 nights a week. The service involves visits to people's home for planned care or to respond to crisis situations e.g. falls or breakdown in informal carer networks. The Night Owls respond to non-injured fallers which releases the capacity of Welsh Ambulances Service NHS Trust (WAST) to deal with life threatening emergencies. Night Owls aim to respond within approx. 30 mins. Current data for the first nine months reported that 59 planned call outs undertaken with a further 231 emergency call outs. Additionally the Nightowls service responded to 42 non-emergency falls resulting in WAST not sending out an ambulance.

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

This project has been developed to ensure that people receive the right level of support in line with their individual needs and that they have the necessary skills to enable them to live successfully in the community.

CHILDREN AND FAMILIES SERVICES

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

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

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

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

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

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

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

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

CASE STUDY:



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

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

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

HOUSING SERVICES

Supporting People / Housing Support Grant

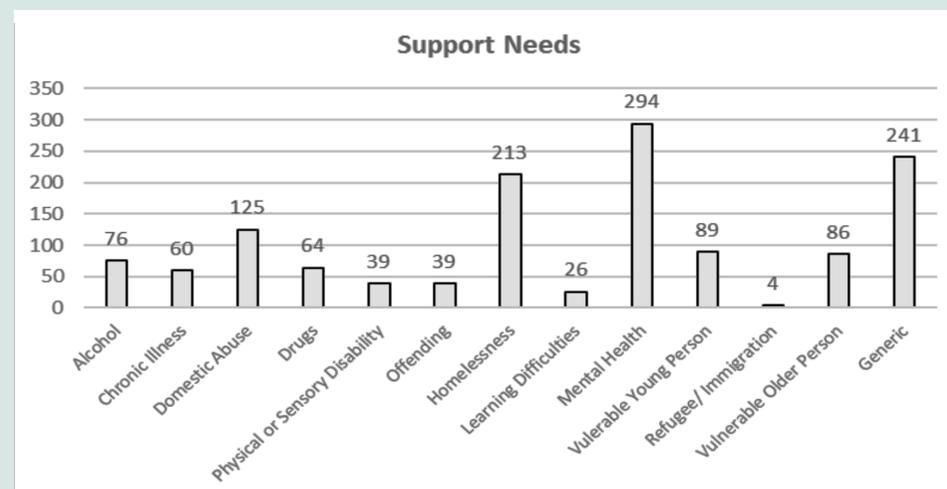
The **Supporting People Programme Grant**, (SPG) which has been part of the preventative agenda since its inception in 2003, now forms part of the **Housing Support Grant**. Anglesey' apportionment of the SPG has remained unchanged at £2,643,866 per annum for the past four financial years. The HSG is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

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

Quarter 1 April – June 2019	213
Quarter 2 July- September 2019	205
Quarter 3 October-December 2019	230
Total	648

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



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

PRIORITIES 2020-21:

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

QS6 - WHAT DIFFERENCE DID WE MAKE?

Key achievements

- **99.03%** of adults were able to discuss their problems during assessment/ re- assessment in their preferred language
- **44%** Care Leavers were in education, training or employment two years after leaving care



WHAT OUR PEOPLE SAY?



“Always helpful, (Domiciliary Care) team compassionate in their work to ensure my parents are safe”

“Appreciation for all the kindness and expertise received from you; [service user] really appreciated the time taken to explain and discuss her needs, and you made it possible for her to continue in our home till the very last.

Thank you.”

“You not only cared for [service user] with so much tenderness, care and love, you found the time and empathy for her family. We all so missed your kindness and care. It is a great tribute to you all that all your residents are happy, well cared for and contented and it is easy to see why.”



HOW WE DO WHAT WE DO

A) OUR WORKFORCE, AND HOW WE SUPPORT THEIR PROFESSIONAL ROLES

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

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

Key priority areas supported are noted below:

- continued implementation of the Regulation and Inspection of Social Care (Wales) Act including:
- supporting the domiciliary care workforce to prepare for registration and supporting knowledge/role of responsible individuals.
- support the training, development and qualification of social care managers: including the Middle Manager Development Programme; Team Manager Development Programme; and those requiring registration as managers

- support the ongoing development of approaches to outcome focussed care and support practice
- support for both social work qualifying training and post qualifying training in Wales
- support frontline social care workers to develop their skills overall in relation to social care, and support the introduction of the revised induction framework
- enable the workforce to meet regulatory requirements for qualification and/or registration using guidance available in the Qualification Framework
- provide learning and development to equip the workforce to work effectively alongside carers and to meet the aspirations of the SS WBW Act for carers, including raising awareness of carers and good practice in carers needs assessments. Social Care Wales provides the following national resources to support these objectives:
 - a carer awareness e-learning module
 - a toolkit for practitioners undertaking carers needs assessment.

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

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

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

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

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

Course Title	Course	Numbers attended
Care Qualifications	L2 Adults	120
	L3 Adults / Children and Young People	4
	L5 Advanced practitioners award	4
Regulated Workforce	Awareness raising sessions on how to register home carers by 2020 and beyond. Domiciliary Care registration workshops in line with the Social Services Wellbeing (Wales) Act and regulating the workforce with in the guided time frame.	80

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

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

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

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

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

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

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

WELSH LANGUAGE SKILLS

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

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

SAFEGUARDING TRAINING

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

Maes Pwnc Diogelu	Niferoedd oedd yno
Diogelu i Weithwyr Proffesiynol	23
Diogelu Cyffredinol (Diwrnod llawn)	99
Diogelu Sylfaenol (hanner diwrnod)	8
Beth? Pwy? Sut? Cofnodi a Rhoi gwybod am Hyfforddiant	48
Hyfforddiant Archwilio ar y Cyd	6

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

E-Learning

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Partnership Working

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

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

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

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

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

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

Performance

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

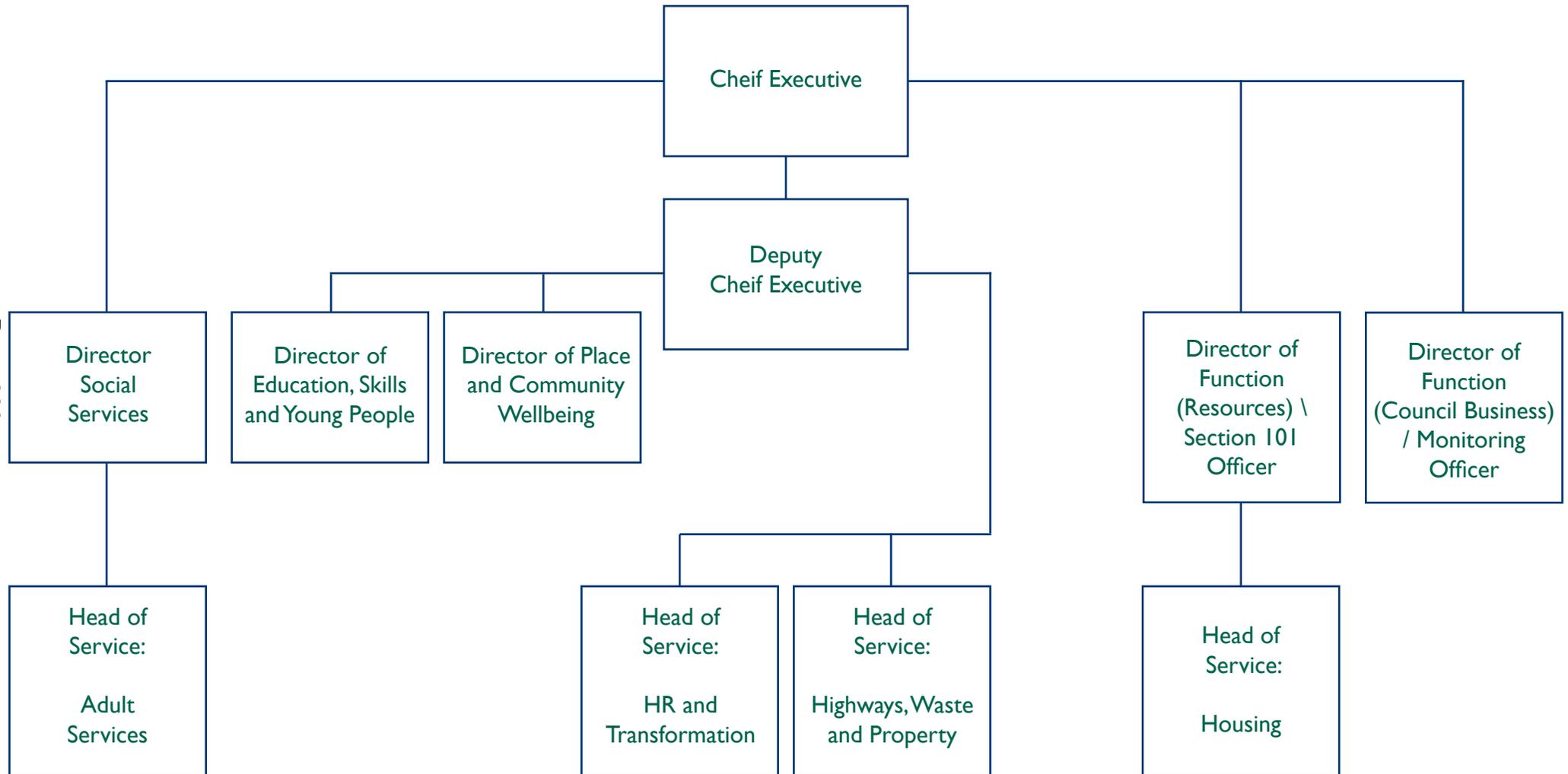
These practices continue to see improvements in a number of social services related indicators, with particular success being seen in the performance of indicators related to the care provided to Adults. Performance indicators for Children & Families Services have also improved and with the continual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

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

- Chef Executive
- Deputy Chief Executive
- Director of Finance & S151
- Monitoring Officer and Head of Legal
- Director of Social Services
- Director of Learning, Skills and Young People

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

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