

THE EXECUTIVE

Minutes of the virtual meeting held on 12 July, 2021

PRESENT: Councillor Llinos Medi (Chair)

Councillors Richard Dew, Carwyn Jones, R. Meirion Jones, Alun Mummery, R.G. Parry, OBE FRAgS, Dafydd Rhys Thomas, Robin Williams.

IN ATTENDANCE: Chief Executive
Deputy Chief Executive
Director of Function (Resources) & Section 151 Officer
Director of Function (Council Business)/Monitoring Officer
Director of Education, Skills and Young People
Director of Social Services
Head of Service (Regulation and Economic Development)
Head of Profession (HR) and Transformation
Digital Services Manager (GC)
Scrutiny Manager (AGD)
Committee Officer (ATH)

APOLOGIES: Councillor Ieuan Williams

ALSO PRESENT: Councillors Glyn Haynes, Kenneth Hughes, Trefor Lloyd Hughes, MBE, R. Llewelyn Jones, Dafydd Roberts, Head of Housing Services (NM), Lead Case Officer (Major Projects – Social-Economic) (RLIJ), Communications Officer (GJ)

1 DECLARATION OF INTEREST

No declaration of interest was received.

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

None to report.

3 MINUTES

The minutes of the previous meeting of the Executive held on 21 June, 2021 were presented for the Executive's approval.

It was resolved that the minutes of the previous meeting of the Executive held on 21 June, 2021 be approved.

4 CORPORATE PARENTING PANEL

The draft minutes of the meeting of the Corporate Parenting Panel held on 8 June, 2021 were presented for adoption by the Executive.

It was resolved that the draft minutes of the meeting of the Corporate Parenting Panel held on 8 June, 2021 be adopted.

5 THE EXECUTIVE'S FORWARD WORK PROGRAMME

The report of the Head of Democratic Services incorporating the Executive's Forward Work Programme for the period from September, 2021 to April 2022 was presented for consideration with the only change reported being the inclusion of Item 9 – Community Benefit Contributions Strategy as a new item scheduled for consideration at the Executive's 27 September, 2021 meeting.

It was resolved to confirm the Executive's updated Forward Work Programme for the period from September, 2021 to April, 2022 as presented.

6 DRAFT FINAL ACCOUNTS 2020/21 AND USE OF RESERVES AND BALANCES

The report of the Director of Function (Resources)/Section 151 Officer incorporating the draft main financial statements for the 2020/21 financial year along with details of the level of general balances and earmarked reserves held by the Council and recommendations regarding their use was presented for the Executive's consideration.

Councillor Robin Williams, Portfolio Member for Finance reported that the report includes the draft Comprehensive Income and Expenditure Statement for 2020/21 and the draft Balance Sheet as at 31 March, 2021. More detailed information about the Council's general balances and earmarked reserves is provided and the report details the proposed use of reserves and balances in 2021/22 and subsequent years. Also set out is the level of general balances and earmarked reserves which, in the professional opinion of the Council's Section 151 Officer is the level required to cover any financial risks faced by the Council, to meet any existing funding commitments made and takes into account any specific restrictions in the use of the funding e.g. restrictions imposed by grant conditions. The level of risk faced by the Council can change and the level of general balances and earmarked reserves will be kept under review over the coming months. The figures as presented are unaudited and may change as a result of the audit process.

The Director of Function (Resources) and Section 151 Officers advised that the draft Comprehensive Income and Expenditure Statement (CIES) shows the cost of providing the Council's services in accordance with statutory accounting requirements and includes costs which are not charged against Council Tax which explains the figure of £24.231m. These costs which include depreciation and pension adjustments are then reversed out before determining the final position in respect of general balances, earmarked reserves, the HRA account balance and school balances. As a result, the CIES is not directly comparable to the budget outturn reports that were presented to the Executive in June, 2021.

The Council's General Fund Balance as at 31 March, 2021 stood at £11.593m which is equivalent to 7.86% of the net revenue budget for 2021/22. The Executive has set the minimum level of the General Fund Balance as 5% of the net revenue budget which would equate to £7.37m which means the General Fund Balance exceeds the minimum value by £4.223m. Normally, the Section 15 Officer would recommend that their level be maintained for the coming year; however in light of the uncertainty with regard to the impact of the pandemic on the demand for Council services in 2021/22; the continuation or otherwise of Welsh Government financial assistance and the effect of ongoing restrictions and social distancing requirements on the Council's ability to generate income for certain services, it is considered prudent to increase the minimum level of the general fund balance during 2021/22 and possibly 2022/23 until the impacts of the pandemic are clearer. It is the

professional opinion of the Section 151 Officer that a minimum value of £9m (6.1% of the net revenue budget for 2021/22) is sufficient to mitigate these risks.

Prior to the pandemic, the Executive had approved in principle the transfer of a level of general balances to create service reserves. The level of the reserve for each service would be capped at 2.5% of the Service's net revenue budget or £75,000 whichever is the higher and the annual contribution to the service reserve would be linked to the Service's financial performance during the year i.e. underspends would be retained by the Service up to the level of the cap to be used for specific projects and overspends apart from those deriving from significant increases in demand would be funded from the Service reserve. Based on the 2020/21 outturn and implementing the cap on the level of reserve, the service reserve for each service would be as outlined in Table 3 of the report (bringing the total Service Reserves to £1.376m) and would be used for the purposes proposed in paragraph 5.6 of the report. After taking into account the requirement to maintain the minimum level of the General Fund Balance at £9m and the use of £1.376m as service reserves, £1.217m would be left to be released for use on one off projects – the Executive is asked to authorise the release of this sum to fund specific projects.

The Council holds earmarked reserves to mitigate potential future risks, to meet increases in the demand for certain services, to fund future capital projects, to fund improvements in business processes and service delivery which are not funded in the annual revenue budget and to hold unused grants and other contributions. The new reserves created during 2020/21 totalling £5,181,646 which the Executive is asked to formally approve, are shown in Table 4 of the report. A full list of all the earmarked reserves is provided in Appendix 4 to the report and they are summarised into the various categories in Table 5 of the report. Appendix 4 identifies the ongoing commitments for each individual earmarked reserve and also identifies reserves which can be released to fund additional one off expenditure. The Executive is asked to approve the use of £2.254m of uncommitted reserves for future projects.

Councillor Robin Williams, Portfolio Member for Finance said that he thought it important also to highlight the fact that despite the welcome reduction in hospital admissions and deaths, Covid 19 has not gone away and its impact is still being felt. The Council faces a number of unknowns going forward especially from a financial perspective including what its funding settlement from Welsh Government for 2022/23 will be; whether Welsh Government will continue to provide Covid related financial support and if so for how long and also whether the level of staff pay awards will be higher than the provision allowed for in the budget. In addition, the Council also has a cumulative backlog of maintenance costs on its roads, schools, leisure centres and libraries; these are some of the funding challenges the Council is facing which the wider public should be aware of. In proposing the recommendations, the Portfolio Member said that he was proposing an amendment to the wording of recommendation 6 to include the words "in principle."

The Executive's members acknowledged that the future does contain uncertainty and risks in light of which they agreed that it is therefore right to be cautious in the use of reserves and to hold sufficient back to ensure the Council is able to deal with the financial challenges it is facing. A question was asked about the impact of the pandemic on debtor days. The Director of Function (Resources)/ Section 151 Officer clarified that the length of time that debts remain outstanding is regularly reviewed and although he was not able to give the exact figures the information not being immediately to hand, he could confirm that Council Tax arrears have increased to £3.8m as more people take longer to pay. The Council did defer Council Tax instalments for the first two months of 2020/21 so the increase in arrears is not unexpected nor unique to Anglesey with all councils in Wales reporting a similar scenario. Welsh Government has recognised Council Tax collection as a potential risk and has provided Anglesey with £768,625 to cover the anticipated increase in

the level of Council Tax debt which may have to be written off. This funding is held in reserve and will be released to the revenue account as required to smooth over the effects of loss of Council Tax income.

It was resolved –

- **To note the draft unaudited main financial statements for 2020/21.**
- **To note the position of general balances and earmarked reserves and to approve the creation of the new reserves noted in Appendix 4 of the report totalling £5,181,646.**
- **To note the school balances position.**
- **To approve increasing the minimum level of the General Reserve balance to £9m. This sum will be reviewed again as the 2022/23 revenue budget is set.**
- **To approve the creation of Service Reserves totalling £1.376m as per Table 3, Appendix 1 of the report.**
- **To authorise in principle, the use of up to £3.471m (£1.217m of the General Fund balance and £2.254m of uncommitted earmarked reserves) to fund specific projects designed to meet risks and challenges faced by the Council. The Executive will approve all new projects prior to their commencement.**

7 ANNUAL DIRECTOR'S REPORT ON THE EFFECTIVENESS OF SOCIAL SERVICES 2020/21

The Annual Director's report on the Effectiveness of Social Services in 2020/21 was presented for the Executive's consideration.

Councillor Llinos Medi, Chair and Portfolio Member for Social Services reported that there is statutory requirement for the Director of Social Services to report annually to the Council on the delivery and performance of Social Services for that year. The report provides an overview of activity during the year as well as setting out the focus for improvement for the forthcoming year. Although the report is that of the Director's it is also a document which the Council collectively should take ownership of as a reflection of the hard work and achievement during the year.

The Director of Social Services referred to the unprecedented challenges faced by Social Services in 2020/21 as a result of the Covid pandemic and to the efforts of Social Services staff supported by internal colleagues within the Council and partner organisations outside to ensure that the people of Anglesey remained safe during this period. Similarly, the Authority's foster carers have worked extremely hard to ensure that the children in their care were kept safe and thanks are due to them for their valued commitment. During the Covid 19 pandemic period, Social Services continued to meet its statutory duties and to work closely with Welsh Government and Care Inspectorate Wales (CIW), the Health Board and other partner organisations and was the subject of an assurance inspection of Adults' and Children and Families' Services by CIW from which the feedback was positive. CIW also visited the Service's two small group homes during the year and these visits also resulted in encouraging feedback. Anglesey Social Services continue to play their part in key regional and national discussions ensuring that the citizens of Anglesey have a voice in decisions that affect them. The pandemic brought about a change in working practices as contact and interactions moved online and meetings were conducted remotely; however, Anglesey's Social Services are always looking at opportunities for doing things differently in order to better respond to people's changing needs.

In highlighting key points in Adults' and Children and Families' Services, the Director of Social Services referred to the shift to digital channels citing the setting up of virtual village halls as an example; the purchase of a town centre property in Llangefni to provide Mencap Môn with a hub for people with a learning disability as one of many instances of partnership working which has been especially important in 2020/21 in responding to the pandemic; working with schools and the Learning Service to identify vulnerable children and arrange appropriate provision, and successfully approving 9 mainstream fostering households and 14 connected persons (family and friends) households in the year. These represent a few of the many activities that took place across the range of Social Services during 2020/21. Despite the Covid 19 pandemic and the ever increasing financial challenges faced, Social Services have continued to make progress in the year whilst also fulfilling their statutory obligations.

The Scrutiny Manager reported from the meeting of the Corporate Scrutiny Committee held on 8 July to which the Annual Director's Report had been presented. In considering the report the Committee noted that the past year had been one of significant challenges because of Covid 19 but notwithstanding Social Services had maintained all of its statutory work and had undertaken some service development work as well. The Committee heard about the impact of effective partnership working both in responding to Covid 19 and in delivering Social Services; joint working with the Housing Service and the Learning Service in particular was noted. The Committee discussed the increasing levels of demand for Social Services' support potentially leading to additional budget pressures. Particular reference was made to uncertainty around Welsh Government grants such as the Integrated Care Fund. The significant contribution of staff across Social Services functions during the pandemic was acknowledged and appreciation for their efforts was expressed. Having considered the report the Corporate Scrutiny Committee was satisfied that it provides a fair reflection of Social Services performance during 2020/21 and its priorities for improvement, and it resolved to recommend the report to the Executive.

Members of the Executive echoed the thanks to the staff of Social Services for their work in responding to the challenges of the past very difficult year and in particular in maintaining statutory services throughout. The significant progress made by Social Services over recent years was likewise acknowledged and particular mention was made of the small group homes and the success of the foster carers recruitment drive and the benefits those had brought to children looked after by the Authority. With regard to foster care and adoption a question was asked about the impact of the pandemic on adoption and whether any foster carers had left or had withdrawn from the fostering approval process. The Director of Social Services confirmed that most foster carers remain in fostering and those that do leave do so for specific reasons. Mainstream (general) foster carers who are not connected to the children they foster as family or friends tend to remain in fostering and the Authority has a close relationship with them; while foster carers do leave due to retirement some foster carers choose to continue fostering beyond normal retirement age. With regard to adoption although some cases have been delayed the adoption process has continued during the pandemic with court hearings moving online; positive feedback has been received from the courts regarding the way Social Services have responded and adapted. Social Services are well-supported by the Council's legal advisors in the court process. A piece of work has been undertaken nationally to garner views on how well these processes have operated during the pandemic.

The Chair concluded the discussion by saying that social workers and social care staff deserve public recognition for their work and for their contribution to the pandemic efforts and the Executive appreciates all they have done over the past year.

It was resolved to accept the Annual Director's Report as an accurate reflection of the effectiveness of Social Services during 2020/21.

8 CHANGES TO THE CONSTITUTION: DELEGATED POWERS - DEVELOPMENTS OF NATIONAL SIGNIFICANCE AND NON-STATUTORY COMMUNITY BENEFITS

The report of the Chief Executive requesting the Executive's endorsement for changes to be made to the Constitution was provided for consideration.

Councillor Carwyn Jones, Portfolio Member for Major Projects reported that the changes proposed which the Executive is asked to endorse are in relation to providing delegated powers to the Head of Regulation and Economic Development in relation to statutory functions of the Council in connection with any development that constitutes a Development of National Significance and developments which require Special Development Orders. In addition, the Executive is asked to approve delegating powers to the Deputy Chief Executive with regard to the negotiation and approval of non-statutory community benefits for a development that constituted a Development of National Significance.

The Head of Regulation and Economic Development advised that the changes to the Constitution are necessary to reflect the current statutory approval framework in Wales which now includes Developments of National Significance and Special Development Orders. The changes will enable the Council to respond effectively and robustly to the associated engagement processes which are usually subject to strict timescales and deadlines. The changes will also support existing communication processes within the Council ensuring that the SLT and Elected Members are kept informed of relevant issues and progress with regard to such developments.

In response to a question, the Director of Function (Council Business) and Monitoring Officer confirmed that the report does reflect the Monitoring Officer's input on this matter.

It was resolved –

- **To recommend that Full Council delegate to the Head of Regulation and Economic Development the carrying out of all statutory functions of the Council in connection with any development that constitutes a Development of National Significance (DNS) as defined under the Planning (Wales) Act 2015 which amends the Town and Country Planning Act 1990 (“the Act”) and the Developments of National Significance (Wales) Regulations 2016 (as amended) and subsequent Regulations as both Local Authority, Local Planning Authority and Local Highway Authority.**
- **To recommend that Full Council delegate to the Head of Regulation and Economic Development the carrying out of all statutory functions of the Council in connection with any development that constitutes a Special Development Order (e.g. Border Control) under section 59 (3) of the Town and Country Planning Act 1990.**
- **That the Executive delegates to the Deputy Chief Executive the authority to carry out all non-statutory community benefit negotiations and to make all decisions relevant to such negotiations in connection with, or arising from a development that constitutes a Development of National Significance in consultation with the Chief Executive and the Leader of the Council.**
- **To recommend that section 3.5.3 of the Constitution be updated to reflect the above delegations.**

9 EXCLUSION OF THE PRESS AND PUBLIC

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

10 IOACC DIGITAL CHANNELS TRANSFORMATION

The report of the Head of Profession (HR) and Transformation outlining a proposed project to transform the Council's digital channels was presented for the Executive's consideration.

Councillor Dafydd Rhys Thomas, Portfolio Member for Corporate Business reported that the project is part of the Council's continuing endeavours to improve the services it provides to the citizens of Anglesey including through digital technology. The Covid19 pandemic has shown the value of digital technology in maintaining the delivery of services and in keeping lines of communication open; to continue with the positive work that has been done requires investment in the Council's systems hence the proposal.

The Head of Profession (HR) and Transformation agreed that the project is essential if the Council is to make progress on its digital improvement journey and in order to provide staff and customers alike with a better experience in their digital interactions with the Council.

The Director of Function (Resources) and Section 151 Officer explained the funding implications were the project to be approved in terms of the initial capital outlay and ongoing revenue commitments and how these would be met.

Councillor Robin Williams, Portfolio Member for Finance commented that systems investment is necessary if the Council is to fulfil its commitment to continue improving customer service.

Having considered the information presented via the report and verbally at the meeting, the Executive supported the proposal.

It was resolved to accept the report and to proceed accordingly.

**Councillor Llinos Medi
Chair**