

THE EXECUTIVE

Minutes of the virtual meeting held on 25 October 2021

- PRESENT:** Councillor Llinos Medi (Chair)
Councillor Ieuan Williams (Vice-Chair)
- Councillors Carwyn Jones, R. Meirion Jones, Alun Mummery, R.G. Parry, OBE FRAgS, Dafydd Rhys Thomas, Robin Williams.
- IN ATTENDANCE:** Chief Executive
Director of Function (Resources) & Section 151 Officer
Director of Function (Council Business)/Monitoring Officer
Director of Education, Skills and Young People
Head of Service (Highways, Waste and Property)
Head of Housing Services
Head of Profession (HR) and Transformation
Head of Democratic Services
Committee Officer (ATH)
- APOLOGIES:** Councillor Richard Dew
- ALSO PRESENT:** Councillors Glyn Haynes, Kenneth Hughes, Trefor Lloyd Hughes, MBE, Aled Morris Jones, Dafydd Roberts, Mr Gareth Williams (Local Democracy Reporter)

The Chair welcomed all those present to this meeting of the Executive; she extended her and the Executive's best wishes to Councillor Jeff Evans who was currently hospitalised.

1 DECLARATION OF INTEREST

No declaration of interest was received at the meeting.

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 27 September, 2021 were presented for the Executive's approval.

It was resolved that the minutes of the previous meeting of the Executive held on 27 September, 2021 be approved.

4 CORPORATE PARENTING PANEL

The draft minutes of the meeting of the Corporate Parenting Panel held on 7 September, 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 7 September, 2021 be adopted.

5 THE EXECUTIVE'S FORWARD WORK PROGRAMME

The report of the Head of Democratic Services incorporating the updated Executive's Forward Work Programme for the period from November, 2021 to June, 2022 was presented for the Executive's consideration and the following changes were highlighted –

- **New items on the Forward Work Programme**
 - Item 3 – Welsh Language Promotion Strategy 2021-26 for the Executive's 29 November, 2021 meeting
 - Item 4 - Welsh in Education Strategic Plan 2022-32 for the Executive's 29 November, 2021 meeting
 - Item 10 – Transitional Plan: Anglesey (post pandemic) subject to confirmation for the Executive's 29 November, 2021 meeting
 - Item 12 – Statement of Gambling Policy 2022-25 for the Executive's 29 November, 2021 meeting
 - Item 14 – Service Asset Management Policy 2021-31: Smallholdings Estate for the Executive's 29 November, 2021 meeting
 - Item 15 – Corporate Asset Management Policy 2021-26 for the Executive's 29 November, 2021 meeting
 - Item 20 – Shared Equity Policy - for the Executive's 13 December, 2021 meeting
 - Item 28 – Population Needs Assessment: Social Services and Wellbeing (Wales) Act 2014
 - Items 39 to 42 – Performance and Budget monitoring reports for the Executive's June, 2022 meeting
- **Rescheduled items**
 - Item 13 – Community Benefit Contributions Strategy rescheduled from October, 2021 to the Executive's 29 November, 2021 meeting
 - Item 22 – Local Housing Strategy 2022-27 rescheduled from December, 2021 to the Executive's 24 January, 2022 meeting
 - Item 29 – AONB Management Plan rescheduled from December, 2021 to the Executive's 14 February, 2022 meeting
- **Items delegated for decision to a Portfolio Member**
 - Item 30 – Annual Equality Report (Portfolio Member for Social Services) for publication in March, 2022
 - Item 37 – Welsh Language Standards Annual Report 2021/22 (Portfolio Member with responsibility for the Welsh Language) for publication in June, 2022

It was resolved to approve the updated work programme for the period from November, 2021 to June, 2022 as presented noting that the Forward Work Programme is updated monthly and submitted as a standing monthly item to the Executive.

6 CONSULTATION ON THE LEVEL OF COUNCIL TAX PREMIUM FOR SECOND HOMES

The report of the Director of Function (Resources)/Section 151 Officer setting out the results of a public consultation exercise on the intention to increase the council tax premium on properties periodically occupied (second homes) was presented for the Executive's consideration.

The Director of Function (Resources) and Section 151 Officer reported that the power to charge the premium came into effect on 1 April, 2017 and the Council initially set the premium at 25%; following consultation in February, 2019 the Council resolved to increase the premium to its current level of 35% from 1 April, 2019. As at 1 September, 2021, 2,670 properties are subject to the 35% premium. At present 10 local authorities in Wales including Anglesey apply the premium, which ranges from 25% (2 authorities), 35% (Anglesey), 50% (5 authorities) and 100% (2 authorities). Although the use to which the revenue generated by the premium is to be put is not specified in the legislation, Welsh Government guidance states that it is intended to be used as a tool to bring long term empty homes back into use and to help local authorities in increasing the supply of affordable housing thereby enhancing the sustainability of local communities.

The Executive in December, 2020 resolved to undertake a full consultation on its intention to increase the premium of second homes to 50%; the consultation opened on 14 June, 2021 and closed on 6 August, 2021 and produced a total of 1,434 responses. Information about the location of the respondents and whether they were owners of a second home, a self-catering units or council tax payers only is provided in section 2 of the report (paragraphs 2.3 and 2.4) as is information about the views expressed with regard to the impact of second homes on local communities, the local economy and the Welsh language (paragraphs 2.5 and 2.6) as well as the level of the premium and whether or not it should be increased and if so by how much (paragraphs 2.7 and 2.8). The response as regards people's views about how the income from the premium should be used is outlined in paragraph 2.9. A summary of all the general points raised in the consultation is provided in Table 3 of the report.

The majority of Anglesey residents who responded to the consultation were of the opinion that the current number of second homes on the Island is having a detrimental effect on local communities and the Welsh language and to a lesser extent, on the local economy. They were also of the opinion that the high number of second homes is pushing up house prices and making them unaffordable for local people. The majority of people who responded to the consultation supported an increase in the premium on second homes with 45% in favour of increasing the premium to 100%. The majority of respondents want to see the Council use any additional funds generated to help local people buy or rent their first home.

Section 3 of the report sets out the financial impact of increasing the premium whilst sections 4 and 5 outline the benefits and risks involved respectively. Raising the premium will generate additional income for the Council, but the level will be dependent on how second home owners react to the increase. The level of extra income generated may be lower if second home owners use the existing loopholes to avoid paying the increased premium (paragraph 3.8 refers). There is also a risk that a steep rise in the premium will result in a large number of properties being re-designated as self-catering accommodation and being subject to Non Domestic rates rather than Council Tax (paragraph 1.6 outlines the process for re-designating properties via the Valuation Office Agency). This would result in a one off drop in Council Tax income in 2022/23 but would be offset by an increase in Welsh Government funding in 2023/24 due to how the funding mechanism operates (paragraph 3.10 explains). Further, raising the premium significantly allows the Council to respond to Welsh Government's comments about the Council not fully utilising the powers it has been given to tackle the issue and would give it greater leverage on Welsh Government to respond to close loopholes and to change planning laws and

policies. More administrative resources would be needed if the premium was increased to deal with the resulting increased workload and also to allow more resources to be directed towards identifying those who are avoiding paying the premium.

Councillor Robin Williams, Portfolio Member for Finance giving his own perspective said that he saw the Council Tax premium as something of a blunt instrument and had real doubts as to its effectiveness in tackling the second homes issue especially as an increasing number of second home owners have been taking advantage of existing loopholes to reclassify their properties as businesses that are not liable for Council Tax but obtain relief from business rates as well. He thought that more radical steps have to be taken by Welsh Government to address the issue which need not affect tourism which is an important and valued industry in Anglesey, but which would stop the growth of second homes which is having a detrimental impact on communities on the Island and on the Welsh language and culture, and is a pattern that is also being repeated in areas not strong on tourism through the proliferation of AirBnBs. It was his view that Welsh Government needs to consider amending planning rules or allow local planning authorities to do so, so that anyone wanting to change a property that is owned or is for rent to a holiday home would have to apply for planning permission for change of use. Other options that could also be considered include levying taxes on homes used as businesses or on the income therefrom, charging VAT on properties let as holiday homes or introducing a tourism/resort tax in Wales in the same way as is levied in many other countries. The power given to local authorities in Wales to charge a Council Tax premium on second homes is not having the desired effect in terms of reducing the number of second homes and there is no evidence available at present to show that raising the premium level to 100% is effective in those local authority areas that have chosen to do so; it is likely that more second homes will be converted to business use and avoid paying the premium (and Council Tax) altogether. The Portfolio Member for Finance said that he favoured and was therefore advocating a gradual approach that would see the level of the premium being increased incrementally as is reflected in the proposals within the report.

Councillor Alun Mummery speaking as Portfolio Member for Housing and Supporting Communities said that he too supported raising the Council Tax premium to 50% with the intention that it be further raised to 75% and to 100% in subsequent years and was basing his comments on many discussions he had been party to on this topic over time. He likened Anglesey as one of the six west facing local authorities to King Canute unsuccessfully trying to stem the tide which has recently become a tsunami and going round in circles trying to find a solution to the matter when the answers lie with Welsh Government. Local authorities in Wales were given the power to raise a Council Tax premium on second homes by up to 100% back in 2014 but the loophole that allows second homeowners to re-designate their properties for business purposes and transfer to the business rates system was not closed at the same time. Although the Welsh Government's Minister for Housing and Local Government made a statement on 6 July, 2021 that she intended to take heed of the 12 recommendations made by Dr Simon Brooks in his report on second homes with a "three pronged attack" and would publish a Welsh Language Community Housing Plan this autumn, these have yet to materialise. The Isle of Anglesey County Council first levied a premium of 25% on second homes in 2017 thereafter raising it to 35% in 2019, and it is one of only three authorities in Wales that levies a 100% premium on empty homes. The Council's Housing Service has benefited to the amount of £350k per annum from the premium which has helped provide first time buyers with grants of which there were 37 successful applications last year, and also to support housing renewal. This as much as anything had influenced his decision not to support increasing the premium to 100% straightaway since that could prompt more second homeowners to seek to avoid paying it and if Welsh Government does not deliver on its promises for action, it would leave the Council with nothing to fall back on. House prices nationally have increased steeply putting home ownership out of reach for many

young people; tackling the issue therefore requires a national policy rather than piecemeal actions.

Councillor R. Meirion Jones, Portfolio Member for Education, Libraries, Youth and Culture said that he initially supported raising the level of the premium to 100% because he thought it was the right thing to do and because Welsh Government has been reluctant to acknowledge the issue of second homes as a problem. Although this has since been recognised there has been very little movement on the matter and he urged Welsh Government to take steps especially with regard to stopping the practice of flipping whereby second homes are re-designated as holiday lets and transfer to business rates claiming business rates relief in the process. He emphasised that it was important to note that the proposals presented as part of the report to today's meeting are a compromise reflecting the differing views expressed as part of the consultation.

In thanking the Officer for the report and the Portfolio Members for their viewpoints the Chair highlighted that the Council has on previous occasions made representations to Welsh Government on this matter.

It was resolved –

- **To recommend to the Council that the premium on properties that are substantially furnished but which are not deemed as the taxpayer's sole or main residence (second homes) is increased to 50% from 1 April, 2022/23.**
- **That taxpayers who are currently identified as being subject to the premium are formally notified of the Council's intention to increase the premium to 50% as soon as possible, in order to allow them to make alternative arrangements if they do not wish to pay the increased premium.**
- **That the Executive reaffirms its intention to :-**
 - **Increase the premium on properties that are substantially furnished but which are not deemed as the taxpayer's sole or main residence (second homes) to 75% from April, 2023 and 100% from April, 2024.**
 - **Continue to put pressure on the Welsh Government to do all it can to allow the Council to control the number of second homes on the Island.**
 - **Continue to request Welsh Government to change the current legislation so as to ensure that the owners of second homes make a suitable tax contribution, either by means of Council Tax or through Business rates.**
- **That funding is released from the additional income generated to employ 2 additional members of staff in the Council Tax team from January 2022 to deal with increased workload (appeals, recovery etc.) and to allow the team to be more proactive in identifying tax avoidance. Based on the 2021/22 pay scales, a sum of £65k would be sufficient to meet the cost of pay and the associated costs.**
- **That the Executive determine how to utilise the additional income and that the proposals are included as part of the 2022/23 revenue budget proposals with the majority of the additional income being directed to funding schemes to help local people purchase their own home and to promote the local economy.**

7 PUBLIC SERVICES OMBUDSMAN ANNUAL LETTER 2020/21

The report of the Director of Function (Council Business)/Monitoring Officer incorporating the Public Service Ombudsman's Annual Letter for 2020/21 was presented for the Executive's consideration.

Councillor Dafydd Rhys Thomas, Portfolio Member for Corporate Business reported that since 2006 the Public Service Ombudsman for Wales (PSOW) has published an annual report on the work undertaken by his office for the previous 12 months. The PSOW also publishes a separate annual summary of performance for each council in the form of an annual letter attached at Appendix 1 to the report. For the Isle of Anglesey County Council (IOACC) the headline messages for 2020/21 are that 18 complaints were lodged against the Council during the year, down from 26 in 2019/20; of those 18 complaints, 16 were deemed not to require an investigation by the PSOW's Office. No Code of Conduct complaints against elected members were recorded during the year. IOACC's performance comparative to the other Welsh councils under a number of headings can be seen in the tables provided with the letter. Additionally, as per the request of the PSOW training has been provided for staff who deal with complaints with six sessions in all having been held by the Complaints Standards Team between 23 October, 2020 and 27 November, 2020; these were well attended and the feedback received was positive. In accordance with the PSOW's request, a letter will now be sent to his Office to inform him of the outcome of the Council's consideration of the annual letter and the action it proposes to take in response to it.

The Director of Function (Council Business)/Monitoring Officer confirmed that the main messages for IOACC from the PSOW's review of the year are summarised in paragraph 3 of the report.

It was resolved to note and to accept the Public Services Ombudsman's Annual Letter for 2020/21 and to delegate the Director of Function (Council Business) to write to the PSOW by 15 November, 2021 to confirm the same and to state that the Council will continue to monitor complaints and thereby provide Members with the required information in order to help scrutinise performance.

8 ANNUAL PERFORMANCE REPORT 2020/21

The report of the Head of Profession (HR) and Transformation incorporating the Annual Performance Report for the Council for 2020/21 was presented for the Executive's consideration.

Councillor Dafydd Rhys Thomas, Portfolio Member for Corporate Business reported that the Annual Performance Report provides an evaluation of how well the Council delivered against its three key well-being objectives during 2020/21 as reflected in the performance indicators data and analysis contained therein in what was a very challenging year dominated by the global pandemic. Although the Council's main aim had been to keep its workforce and the people of Anglesey safe and well during this difficult time and to ensure that statutory services were maintained and the specific actions taken to this end are elaborated upon in the report, the Council also succeeded in making progress in a number of areas across services taking planned initiatives and projects forward as described in the narrative sections of the report. That the Council has achieved as much as it did is due to the tireless efforts and hard work of its staff, partners and those contracted to undertake work for it, and whilst it is encouraging to note the progress of the vaccine booster programme it is expected that the Council will still face further challenges as it enters the traditionally difficult winter period.

The Head of Profession (HR) and Transformation confirmed that the Council is statutorily required to publish an Annual Performance Report by the end of October each year with 2020/21 being the final year in which this requirement applies with new performance reporting arrangements being introduced under the provisions of the Local Government and Elections Wales Act 2021. Whilst it had been a challenging task to try to capture the breadth of activity that has taken in place in an extraordinary year it is hoped the annual report provides a fair reflection of performance over the period.

Councillor Aled Morris Jones, Chair of the Corporate Scrutiny Committee reported from the Committee's 18 October, 2021 meeting to which the Annual Performance Report for 2020/21 was presented and where the contribution of staff both towards the pandemic effort and towards ensuring the continuation of essential services at a very difficult time was acknowledged with gratitude. In considering the report the Committee had expressed some concern regarding the increased Covid rate on Anglesey and more widely in Wales; the Committee had specifically wanted to know how the ongoing pandemic had affected the business sector and had requested information regarding the number of businesses on Anglesey that had come to an end as a result. The Committee had recommended the report for the Executive's approval and subsequent publication by the 31 October deadline.

Councillor R. Meirion Jones, Portfolio Member for Education, Libraries, Youth and Culture drew attention to an amendment to the final paragraph of the Education and Skills section of the Annual Performance Report at page 14 where it refers to all school buildings as having been closed for the first part of the year because of the coronavirus pandemic which is not what happened in practice; the sentence as amended which will be reflected in the version to be put to Full Council on 26 October, 2021 will read to the effect of - *during the first part of the year schools were operating under emergency conditions because of the Coronavirus pandemic. They provided care centres for vulnerable children and the children of key workers, and prepared online lessons and activities for all students to undertake at home.*

With reference to the Corporate Scrutiny Committee's request for data on business closures the Chief Executive clarified that an e-mail had been circulated to the Committee's members to explain that the most recent data which is provided by the Office of National Statistics (ONS) was released in November, 2020 and relates to changes that took place in 2019. Information with regard to the pandemic period has not yet been collated and released and whilst the ONS has not indicated when the data for 2020 will be made available, once the figures are issued they will be shared with elected members.

It was resolved to recommend to the Isle of Anglesey County Council that the 2020/21 Performance Report is an accurate reflection of the Authority's work over the period and that it should be published by the statutory 31 October deadline.

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 Paragraph 16 of Schedule 12A of the said Act.

10 HIGHWAYS DAMAGE PROSECUTION

The report of the Head of Service (Highways, Waste and Property) with regard to a highways damage prosecution was presented for the Executive's consideration.

Councillor R.G.Parry, OBE, FRAGS, Portfolio Member for Highways, Waste and Property reported on the background to the issue which involved damage to a publicly maintained highway and referred to the latest position with regard to achieving a resolution in the matter.

The Head of Service (Highways, Waste and Property) outlined the options considered and the implications of each and he provided details of discussions, engagement and activity to date with regard to another party in the matter. The Officer referred to the proposed course of action for taking the matter forward and explained the reasoning for the recommendation.

It was resolved to approve the recommendations of the report and to proceed accordingly.

11 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 Paragraphs 12, 13 and 14 of Schedule 12A of the said Act and in the Public Interest Test as presented.

12 HOUSING DEVELOPMENT OVER 10 UNITS – LAND NEAR PENTRAETH INDUSTRIAL ESTATE

The report of the Head of Housing Services seeking the Executive's approval to move forward with the development of 10 housing units on land near Pentraeth Industrial Estate was presented for consideration.

The Executive was advised that the site is located near Pentraeth Industrial Estate and full planning permission was approved in September, 2021 for 23 new houses as part of a development led by Clwyd Alyn Housing Association. Clwyd Alyn is one of three operational housing associations building affordable housing on the Island. The Authority where possible seeks to work in partnership with other housing providers and in this case it has been offered 10 out of the 23 properties on site thereby providing an opportunity to offer some of the new properties for sale to local first time buyers through shared ownership and/or rent at intermediate rent. The houses will be built on sustainable principles and will be highly energy efficient. As part of the planning process, information provided by the developer showed that 37 applicants for housing in Pentraeth are on the Council's waiting list and a further 7 are on the Tai Teg affordable housing list. These properties, ten of which will be in the Council's name will contribute towards meeting the housing demand in the area. The development will be funded partly through a Welsh Government grant and partly through the Housing Revenue Account. The financial model adopted by the Authority to assess the financial viability of housing development schemes shows the scheme and associated costs to be viable and compliant with the Authority's guidance on developing new housing.

It was resolved to approve proceeding to develop new council housing of 10 units on land near Pentraeth Industrial Estate.

**Councillor Llinos Medi
Chair**