

**THE EXECUTIVE
VIRTUAL MEETING (BUDGET) (AT PRESENT, MEMBERS OF THE PUBLIC
ARE UNABLE TO ATTEND)**

Minutes of the meeting held on 3 March 2022

PRESENT: (Chair)
(Vice-Chair)

Councillors R Dew, Llinos Medi Huws, R.Meirion Jones,
R G Parry OBE FRAGS, Dafydd Rhys Thomas, Ieuan Williams,
Alun W Mummery, Carwyn Jones and Robin Williams

IN ATTENDANCE:

APOLOGIES: Councillors

ALSO PRESENT:

The Chair welcomed all those present to the meeting; before commencing the business of the meeting she referred with great sadness to the developing situation in the Ukraine saying that everyone's thoughts were with those affected by the war.

1 DECLARATION OF INTEREST

Councillor Richard Dew declared a personal and prejudicial interest with regard to item 13 on the agenda.

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 14 February, 2022 were presented for confirmation.

It was resolved that the minutes of the previous meeting of the Executive held on 14 February, 2022 be approved as correct.

4 REVENUE BUDGET MONITORING - QUARTER 3, 2021/22

The report of the Director of Function (Resources)/Section 151 Officer setting out the financial performance of the Council's services at the end of Quarter 3 of the 2021/22 financial year was presented for the Executive's consideration.

Councillor Robin Williams, Portfolio Member for Finance reported that on 9 March, 2021 the Council set a budget for 2021/22 with net service expenditure of £147.420m, to be funded from Council Tax income, NDR and general grants. Unlike previous years, the budget for 2021/22 does not include any requirements on the services to make savings. The increase of 3.4% in funding from Welsh Government was a welcome increase. The overall projected financial position for 2021/22 including Corporate Finance and the Council Tax fund is an underspend of £3.528m which is 2.4% of the Council's net budget for 2021/22. Although there is an increased level of certainty as the end of the financial year approaches, it should be noted that in the current emergency situation, the position can change quickly as the Council continues to respond to the pandemic. Also, rising costs and the potential for increased demand for services during the final quarter may reduce the final revenue position at the end of the financial year. However in light of the projected surplus on the 2021/22 revenue budget he was proposing that an additional £500k be invested in Highway maintenance for the benefit of all the Island's road users.

Councillor R.G. Parry, OBE, FRAGS, Portfolio Member for Highways, Waste and Property welcomed and supported the proposal saying that although a national report shows that Anglesey's highways compare very well with those of other councils in Wales, more can be done to improve the Island's road network and to bring them to a standard which the Council would like to see.

The Director of Function (Resources)/Section 151 Officer confirmed that the 2021/22 financial year was exceptional. Funding was built into the budget to address a potential surge in demand as the Council emerged out of the pandemic and Covid 19 pressures have been met by additional grant funding from Welsh Government which has contributed to the positive position in which the Council finds itself. The winter period which historically creates uncertainty in the demand for services has not on the whole been severe weather-wise which has also helped in terms of managing costs. One of the risks identified over the second part of the year in the form of the non-teaching staff pay award has now been eliminated with the acceptance of a 1.75% pay increase. The Director of Function (Resources)/Section 151 Officer referred to the position with regard to service budgets and highlighted the main variances within this position. He concluded by saying that although there remains a risk that the final position at the end of the financial year may not be as positive as that projected, the risk is diminishing as the end of the year draws nearer.

It was resolved –

- **To note the position set out in Appendices A and B in respect of the Authority's financial performance to date and expected outturn for 2021/22. This position is dependent on the continued support from Welsh Government to fund the loss of income and the additional costs which the Council faces during the remainder of the financial year as a result of the Coronavirus.**
- **To note the summary of Contingency budgets for 2021/22 detailed in Appendix C to the report.**
- **To note the position of the invest to save programmes in Appendix CH to the report.**
- **To note the monitoring of agency and consultancy costs for 2020/21 in Appendices D and DD to the report.**
- **That in light of the projected underspend on the 2021/22 Revenue Budget, to recommend that an additional investment of £500k be made in Highway maintenance.**

5 CAPITAL BUDGET MONITORING - QUARTER 3, 2021/22

The report of the Director of Function (Resources)/Section 151 Officer setting out the financial performance of the Capital Budget at the end of Quarter 3 of the 2021/22 financial year was presented for the Executive's consideration.

Councillor Robin Williams, Portfolio Member for Finance reported that the Council approved a Capital Programme for non-housing services of £15.842m for 2021/22 and a Capital Programme of £20.313m for the Housing Revenue Account (HRA). In addition, in June 2021, the Executive approved capital slippage of £11.898m to be brought forward from 2020/21 bringing the Capital Programme for non-housing services to £25.492m and £22.561m for the HRA. Since the budget process, schemes have been added to the programme most of which are grant funded which amount to £11.895m bringing the total capital budget for 2021/22 to £59.948m. The profiled budget spent to the end of Quarter 3 is £26.546m whereas the actual expenditure to date is £19.309m with a further £992k expenditure having been committed. Despite the level of slippage, the majority of the capital programme is progressing and delayed projects are expected to proceed. No loss of external funding to the Council is anticipated.

The Director of Function (Resources)/Section 151 Officer advised that the reasons for underspending vary from project to project. The current state of the construction sector has exacerbated the situation this year with significant increases in prices, material shortages and Covid restrictions making it more difficult to progress projects as planned.

It was resolved to note the progress of expenditure and receipts against the capital budget 2021/22 at Quarter 3.

6 HOUSING REVENUE ACCOUNT BUDGET MONITORING - QUARTER 3, 2021/22

The report of the Director of Function (Resources)/Section 151 Officer setting out the financial performance of the Housing Revenue Account (HRA) Budget for Quarter 3 2021/22 was presented for the Executive's consideration.

Councillor Robin Williams, Portfolio Member for Finance presented the report which set out the financial performance of the Housing Revenue Account (HRA) for the period from 1 April, 2021 to 31 December, 2021 comprising of both revenue and capital and he highlighted that the HRA is ring-fenced and its reserves cannot be used for purposes other than to fund costs relating to the Council's housing stock; neither can General Fund balances be used to fund the HRA.

The HRA surplus/deficit at the end of Quarter 3 shows an overspend of £639k compared to the profiled budget. The capital expenditure is £3,384k below the profiled budget. The forecast expenditure is £12,169k below budget. The forecast surplus combining both revenue and capital is now £759k, £9,875k better than the budget due mainly to lower than budgeted capital expenditure.

The Director of Function (Resources)/Section 151 Officer referred to the variances in the budget and advised that rental income for the HRA is below that projected as a result of delays in new stock coming on stream; non repairs and maintenance expenditure is also below the profiled budget while the Housing Maintenance unit is overspent largely as a result of increased repairs and maintenance activity in recovering the backlog caused by Covid 19 restrictions. A significant underspend is projected on the capital side and is attributable to a number of reasons including less progress than expected being made on housing developments that were forecast to commence in the current financial year. Planned investment in existing stock has also been impacted by the Covid pandemic. The underspend on capital

expenditure means that the amount funded from the HRA revenue account is similarly reduced. The balance is then available to fund projects that have been deferred into next year.

It was resolved to note the following –

- The position set out in respect of the financial performance of the Housing Revenue Account (HRA) for Quarter 3 2021/22.
- The forecast outturn for 2021/22.

7 TREASURY MANAGEMENT OUT-TURN 2020/21

The report of the Director of Function (Resources)/Section 151 Officer incorporating the Annual Treasury Management Review for 2020/21 was presented for the Executive's consideration.

Councillor Robin Williams, Portfolio Member for Finance reported that the Annual Treasury Management review is presented to comply with regulations issued under the Local Government Act 2003 and with the Council's Treasury Management Scheme of Delegation for 2020/21. In accordance with the Scheme of Delegation the report was scrutinised by the Governance and Audit Committee in July 2021. The review report forms part of a trio of reports which the Council is required to receive with regard to treasury management the others being a treasury management statement in advance of the financial year and a mid-year review.

The Director of Function (Resources)/Section 151 Officer clarified that the presentation of the treasury management review report for 2020/21 to the Executive had been delayed by the audit of the accounts which was not concluded until November, 2021. The review confirms that the Council's Treasury Management performance during the year was consistent with the strategy of low risk, low return on investments and a planned approach to borrowing designed to minimise interest charges. The performance against the Prudential Indicators set by the Council show that 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.

It was resolved to accept the Annual Treasury Management Report for 2020/21 and to forward the report to Full Council.

8 TREASURY MANAGEMENT STRATEGY STATEMENT 2022/23

The report of the Director of Function (Resources)/Section 151 Officer incorporating the Treasury Management Strategy Statement for 2022/23 was presented for the Executive's consideration.

The Portfolio Member for Finance reported that the Statement is presented to ensure that the Council is implementing best practice with regard to its treasury management operations in accordance with the CIPFA Code of Practice for Treasury Management. In terms of updates to the Treasury Management Strategy Statement, there are no proposed amendments to the core principles and policies of the 2021/22 Statement.

The Director of Function (Resources)/Section 151 Officer advised that the report sets out the Council's borrowing and investment strategy for 2022/23 and confirms the continuation of the Council's approach of only borrowing according to need and in line with the capital strategy, of not repaying debt prematurely as the cost of doing so outweighs the benefits and of investing on the basis of security first, liquidity second and then yield (return). Investment returns have recently improved and the Council will continue to seek out the

best returns consistent with counterparty risks. However the uncertainties in the economic situation particularly with regard to inflation and interest rates and the direction they take have a significant influence on treasury management and they will need to be closely monitored during the year as any sudden increase in interest rates will have a major impact upon the strategy and may require it to be reviewed. The strategy also sets out the Prudential Indicators which place limits on treasury management activity and these will be monitored during the year.

In response to a question about the form a review of the strategy would take, the Director of Function (Resources)/Section 151 Officer clarified that any amendments to the Strategy would be reported in line with the Treasury Management Scheme of Delegation.

It was resolved to accept the Treasury Management Strategy Statement for 2022/23 and to recommend the Statement to Full Council.

9 TREASURY MANAGEMENT MID-YEAR REVIEW 2021/22

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

Councillor Robin Williams, Portfolio Member for Finance reported that the mid-year review forms part of the treasury management reporting requirements under the CIPFA Code of Practice and is in accordance with the Council's Scheme of Delegation. The report was scrutinised by the Governance and Audit Committee at its meeting in December 2021.

The Director of Function (Resources)/Section 151 Officer advised that the report sets out Treasury Management activity during the first half of 2021/22 and confirms that an underspend in the capital programme has resulted in some changes to the financing of the programme with borrowing having been revised downwards as a result. Borrowing activity is expected to remain within the operational boundary. Improved interest rates mean that the Council has been seeking to optimise the return on investments while having regard to security and liquidity and the Council's risk appetite. No amendments to the strategy are envisaged at this point in time.

It was resolved to accept the Treasury Management Mid-Year Review Report for 2021/22 and to forward the report to the Full Council.

10 COMMUNITY BASED NON-RESIDENTIAL SOCIAL CARE SERVICES - 2022/23 FEES AND CHARGES

The report of the Head of Adults' Services seeking the Executive's approval for proposed fees and charges for community based non-residential social care services for 2022/23 was presented for consideration.

The Chair and Portfolio Member for Social Services reported that it is usual practice to review the charges in respect of domiciliary services annually to coincide with Central Government's revision of benefit and pension levels. The report sets out the proposed community based non-residential social care fees and charges for 2022/23 in accordance with the Social Services and Well-Being (Wales) Act 2014.

It was resolved to approve the following –

- **The charges for Telecare services as outlined in Table A of the report**

Tier 1 – everyone will pay £50.83 per quarter

Tier 2 and 3 – everyone will pay £101.27 per quarter

- The Telecare Annual Charges as outlined in Table B of the report

Services and maintenance £121.07

Services only £78.25

One off Installation £48.41

- A rate for Direct Payments at £13.10/hour
- To maintain a charge of £10.00 for the administration in relation to Blue Badge requests and replacement as outlined in the report
- To increase the fee for purchasing day care services in independent residential homes by 6.73% to £37.58
- To increase Domiciliary Care fees by £1.36 per hour to comply with new legislation
- The charges for Meals in Day Services as outlined in Table C of the report

Meals in Day Services for adults (excluding people with learning disabilities) £6.60

Mid-day snack in Day Services for people with learning disabilities £2.80

Other refreshments (tea/coffee/cake) in Day Services £1.55

11 LOCAL AUTHORITY HOMES FOR OLDER PEOPLE - SETTING THE STANDARD CHARGE 2022/23

The report of the Head of Adults' Service with regard to setting the level of the Authority's Standard Charge for local authority care homes for the year April, 2022 to March, 2023 was presented for the Executive's consideration.

The Chair and Portfolio Member for Social Services reported that Local Authorities are required under Section 22 of the National Assistance Act 1948, to set the Standard Charge for their homes. She referred to the basis for calculating the Standard Charge as outlined in the report and highlighted that based on the table therein, the estimated cost per resident per week for the year to 31 March, 2023 is £801.53. The Executive made a decision to increase the fees in line with the actual cost of providing the service gradually over a 2 year period and as a result of this decision the fees for 2021/22 were below the cost of care. Given that 2022/23 is the final year of the 2 year plan to increase the fees, it is proposed that the full cost of providing the service is charged for 2022/23 which is £801.53 per week.

The Head of Adults' Services confirmed that the standard fee is that which the Authority is obliged to charge those residents in its homes who have the financial means to pay the full cost of their residential care and therefore only applies to a relatively small proportion of residents.

It was resolved –

- That the standard charge for the Authority's care homes for the financial year 1 April 2022 to 31 March 2023 be set at £801.53 per week.
- That the full fee per resident per week for the Authority's homes be set at a level equivalent to the full cost of the service which is £801.53 per week.

12 FEES AND CHARGES 2022/23

The report of the Director of Function (Resources)/Section 151 Officer setting out a proposed schedule of fees and charges for 2022/23 was presented for the Executive's consideration.

Councillor Robin Williams, Portfolio Member for Finance reported that as part of the budget setting process, all the Council's fees and charges are reviewed. The Executive has set an objective that all non-statutory fees and charges are increased by an average of 3% across each individual service. This has allowed Service Heads to increase individual fees by more or less than 3%, but overall, the increase across the service equates to a 3% increase. All statutory fees have been increased by the sum set by the approving body, where the increase has been published. Where the revised charge is not known, the fee is shown as to be confirmed (TBC) and will be updated once the notification of the new fee is received. Fee increases in respect of Social Care are the subject of separate reports.

The Portfolio Member highlighted that not all fees are being increased in 2022/23 with school meals and green waste collection charges remaining unchanged.

It was resolved to approve the schedule of Fees and Charges for 2022/23 as outlined in the booklet presented.

13 INDEPENDENT SECTOR CARE HOME FEES 2022/23

The report of the Head of Adults' Services with regard to the proposed level of independent sector care home fees for 2022/23 was presented for the Executive's consideration.

Having declared a personal and prejudicial interest in this matter, Councillor Richard Dew withdrew from the meeting for the discussion and voting thereon.

The Chair and Portfolio Member for Social Services presented the report and recommendations therein to the Executive stating that the Local Authority is required to review independent sector care home fees annually to coincide with Central Government's changes to benefits and pension levels. In setting levels for independent sector care homes, the Council needs to show that it has fully considered the costs of the provision in determining its standard care fees. This is done in collaboration with the other Authorities in North Wales and the Health Board by utilising a Regional Fee Methodology as done in previous years. The Authority will continue to use this model for 2022/23 which has reflected legislation changes in terms of pensions, national living wage and inflation. The North Wales Methodology fee recommendations are shown in Table 1 of the report.

The Head of Adults' Services advised that following discussion with the Section 151 Officer, the Authority is proposing to use the Regional methodology for Residential Care and for the Nursing Care (Social Care element). The Service is recommending that the fees for Elderly Mentally Infirm EMI and Nursing EMI are increased by 12% as this has been identified as an area of demand where the Authority wishes to encourage further provision. The Service is recommending that the ROI for Nursing EMI placements remains at 12% whilst the ROI for Residential EMI remains at 10% in recognition of the pressures in this area. Consistent with the strategic direction the Council is taking in developing alternatives to residential care in the form of Extra Care Housing and care at home, and having due regard to the affordability of the increase proposed for residential care homes, it is proposed to set a lower return on investment of 9% as in previous years. The Anglesey

proposed fees for 2022/23 are set out in Table 2 of the report but do not include the Local Authority Free Nursing Care (FNC) element on nursing fees as the percentage uplift has yet to be agreed.

It may be necessary to consider individual submissions from providers regarding the fees proposed. Exceptions to the fee rates will be considered if there is clear evidence to indicate that the fee set is not sufficient in any individual case. It is proposed that any such decisions are delegated to the Portfolio Member, Director of Function (Resources)/Section 151 Officer and the Head of Adults' Services.

It was resolved –

- **To acknowledge the North Wales Fee Methodology as implemented hitherto by the Authorities in North Wales as a basis for setting fees in Ynys Môn during 2022/23 (Appendix 1 to the report).**
- **To approve the recommendation to increase the fee level as follows:**

Residential Care (Adults) £636.80

Residential EMI £707.17

Nursing Care (Social Care Element) £703.79 + Local Authority FNC element (TBC)

Nursing (EMI) (Social Care Element) £800.88 + Local Authority FNC element (TBC)

- **In line with other authorities, to authorise the Social Services and Finance Service to respond to any requests from individual homes to explore their specific accounts and to utilise the exercise as a basis to consider any exceptions to the agreed fees. Any exceptions to be agreed with the Portfolio Holder, the Director of Function (Resources/Section 151 Officer and the Head of Adults' Services from within current budgets.**

14 MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2022/23

The report of the Director of Function (Resources)/Section 151 Officer setting out the detailed revenue budget proposals for 2022/23 for the Executive's review and agreement was presented.

Councillor Robin Williams, Portfolio Member for Finance reported that the Executive is required to agree a number of key matters in respect of the 2022/23 budget. This will then allow the final recommendations to be presented to the Full Council at its meeting on 10 March, 2022. The matters requiring agreement are the Council's Revenue Budget and resulting Council Tax for 2022/23; the Council's updated Medium Term Financial Strategy and the use of any one-off funds to support the budget.

The Council published its budget proposals for public consultation on 26 January, 2022 and the consultation period closed on 9 February, 2022. The public consultation process and its outcome is outlined in section 3 of the report. Scrutiny's input into the budget setting process is summarised in section 4 of the report. The Portfolio Member for Finance referred to some minor changes in the figures following confirmation of the final settlement and the award of an additional grant of £2,254 to Anglesey which takes the net budget to £158.367m. The proposed 2% increase in Council Tax to set a balanced budget is the lowest in North Wales and restores the Council to the position it occupied at the beginning of this Administration when it was eighteenth out of the twenty two local authorities in Wales for council tax.

The Director of Function (Resources)/Section 151 Officer highlighted the risks to the budget as detailed in section 5 of report and explained their implications with the main risk arising from the uncertainty around pay and price inflation. The other risks include movement in interest rates; the continuation or otherwise of grant income at current levels; the achievement or otherwise of income targets; income from the Council Tax premium and from the standard Council Tax and the level of demand for services. Having considered all the risks as documented and the mitigating actions, the Director of Function (Resources)/Section 151 Officer confirmed that he was of the view that the budgets are robust and deliverable.

At the beginning of the 2021/22 financial year the level of general balances was set at £9m in order to mitigate the risk arising from uncertainty over the level of demand for services as the Council emerged from the Covid-19 pandemic. This risk has since receded and based on the current financial position, it is recommended that for 2022/23 the general balances be maintained at 5% of the net revenue budget which is around £8m. Changes to the level of general balances during 2021/22 due to decisions made to utilise them and/or other reasons are noted in section 6 of the report.

The economic situation has changed considerably since the Council approved the Medium Term Financial Strategy (MTFS) in September 2021. In addition, the local government settlement for 2022/23 also changes the strategy significantly. The indicated increases in the AEF provides a little more certainty over the Council's funding over the subsequent two years and this allows an update of the MTFS. Section 10 of the report highlights those factors likely to impinge on the Council's budget in 2023/24 and beyond. An updated MTFS will be presented to the Executive in September, 2022.

Feedback from Scrutiny was provided by the Scrutiny Manager who reported that the Corporate Scrutiny Committee in considering the final draft revenue budget proposals for 2022/23 at its meeting on 28 February, 2022 had discussed the level of income deriving from the Council Tax premium on second homes and empty homes, framing questions within the public consultation process to add value to the process, the financial prospects for the medium term and the use to which General Fund balances had been put. The Scrutiny Manager confirmed that having considered all the information presented both verbally and on paper, the Corporate Scrutiny Committee had endorsed the final draft revenue budget proposals for 2022/23 and recommended the same to the Executive with two abstentions.

Councillor Dafydd Roberts Chair of the Finance Scrutiny Panel reported that at its meeting on 14 February, 2022 the Panel had examined the service investment proposals in detail and reported to the Corporate Scrutiny Committee meeting on 28 February confirming its recommendation of the final draft revenue budget proposals for 2022/23.

The Executive acknowledged the work involved in the preparing the budget proposals and thanked the Director of Function (Resources)/Section 151 Officer and the Finance Service for this and the other budget/finance related reports on today's agenda.

It was resolved -

- **To note the formal consultation meetings on the budget and consider the resulting feedback, as outlined in Section 3 of Appendix 1**
- **To agree the final details of the Council's proposed budget, as shown in Section 7 of Appendix 1 and Appendix 2**
- **To note the Section 151 Officer's recommendation that the Council should maintain a minimum of £7.9m general balances**

- To note the comments made by the Section 151 Officer on the robustness of the estimates made, as set out in Section 5 of Appendix 1
- To recommend a net budget for the County Council of £158.367m and resulting increase in the level of Council Tax of 2.00% (£26.82 – Band D) to the full Council, noting that a formal resolution, including the North Wales Police and Community Council precepts, will be presented to the Council on the 10 March 2022.
- That any differences between the provisional settlement and the final settlement will be adjusted for by using the general contingency which is included in the 2022/23 budget, or by making a contribution to / from the Council's general reserves in order to set a balanced budget
- To authorise the Section 151 Officer to make such changes as may be necessary before the submission of the final proposals to the Council
- To agree that any unforeseen pressures on demand led budgets during the financial year will be able to draw upon funding from the general contingencies budget
- To request the Council to authorise the Executive to release up to £250k from general balances if the general contingencies budget is fully committed during the year
- To delegate to the Section 151 Officer the power to release funding from the general contingency up to £50k for any single item. Any item in excess of £50k not to be approved without the prior consent of the Executive
- To confirm that the level of Council Tax Premium for second homes increases to 50% and for empty homes remains at 100%.

15 CAPITAL STRATEGY AND CAPITAL PROGRAMME

The report of the Director of Function (Resources)/Section 151 Officer incorporating the Capital Strategy and draft proposed Capital Programme 2022/23 was presented for the Executive's consideration.

Councillor Robin Williams, Portfolio Member for Finance reported that the revised CIPFA Prudential Code, September 2017 requires all authorities to produce a capital strategy which sets out the long-term context in which capital expenditure and investment decisions are made. This requirement is aimed at ensuring that authorities take capital and investment decisions in line with service objectives and properly take into account stewardship, value for money, sustainability and affordability. CIPFA has published additional guidance on Capital Strategies in 2021 which the Capital Strategy has sought to incorporate within the short timeframe before the deadline for the 2022/23 Capital Strategy. The guidance acknowledges that Councils might not have the capacity to fully meet the guidance and encourages local authorities to develop their capital strategies as time goes on. The Executive Manager is leading on a revised approach to the Capital Strategy for the period 2023/24 onwards.

The Director of Function (Resources)/Section 151 Officer advised that the Capital Strategy has been updated to reflect decisions taken including the adoption of the Transitional Plan and proposed capital expenditure for 2022/23. It has direct links to other key strategic and policy documents including the Council Plan, Treasury Management Strategy, Medium Term Financial Plan, Climate Change Plan and HRA Business Plan. The process of creating the Capital Strategy is under review which might mean changes to its structure and format by the time it is presented for 2023/24 including stronger emphasis on how it complements the Council's other key strategies and plans.

It was resolved to endorse and recommend that Full Council approves the Capital Strategy for 2022/23 as detailed in Appendices 1 and 2 to the report.

16 FINAL CAPITAL BUDGET 2022/23

The report of the Director of Function (Resources)/Section 151 Officer incorporating the final proposed capital budget for 2022/23 was presented for the Executive's consideration and endorsement.

Councillor Robin Williams, Portfolio Member for Finance reported that a Capital Budget of £35.961m for 2022/23 is being proposed. As with the draft proposals for the 2022/23 Revenue Budget, the draft Capital Programme for 2022/23 was the subject of public consultation and the substance of the responses received is summarised in section 2 of the report. It is likely that there will be slippage on the current Capital Programme for 2021/22 schemes; any slippage amounts requested to be carried forward to 2022/23 will be subject to the Executive's approval. It is proposed that a shortfall in the capital budget is met from the General Fund Balances to help support the Capital Programme for 2022/23.

The Director of Function (Resources)/Section 151 Officer advised that capital funding in the form of the General Capital Grant which is provided as part of the annual settlement is becoming tighter with more emphasis being placed instead on specific grant funding where grants are awarded to fund specific capital projects. The scope for using capital receipts is also becoming more limited as fewer assets are available to be sold. The general grant funding has been reduced for 2022/23 and £1.168m will be drawn from General Balances as a short-term measure to make up the difference and help fund the proposed capital programme.

Scrutiny feedback was provided by the Scrutiny Manager who reported from the Corporate Scrutiny Committee's meeting of 28 February, 2022 to which the final draft capital budget proposals for 2022/23 were presented. She confirmed that the Committee had endorsed and recommended the final draft capital budget proposals for 2022/23 without any further comment with two abstentions.

Councillor Dafydd Roberts, Chair of the Finance Scrutiny Panel reported that the Panel in scrutinising the proposed capital budget for 2022/23 had examined the one off capital projects to be funded in 2022/23 and having been satisfied regarding the justification for the expenditure was supportive of the proposals and budget for 2022/23.

It was resolved to recommend to the Full Council the following capital programme for 2022/23 –

| | £'000 |
|--|---------------|
| 2021/22 Schemes Brought Forward | 1,322 |
| Refurbishment/Replacement of Assets | 5,042 |
| New One Off Capital Projects | 1,432 |
| New One Off Capital Projects (funded from Reserves and Unsupported Borrowing) | 783 |
| 21st Century Schools | 8,598 |
| Housing Revenue Account | 18,784 |
| Total Recommended Capital Programme 2022/23 | 35,961 |

Funded By –

| | |
|--|---------------|
| General Capital Grant | 1,486 |
| Supported Borrowing General | 2,157 |
| General Balances | 1,681 |
| 21 st Century Schools Supported Borrowing | 1,168 |
| 21 st Century Schools Unsupported Borrowing | 5,261 |
| HRA Reserve & in Year Surplus | 10,099 |
| HRA Unsupported Borrowing | 6,000 |
| Capital Receipts | 600 |
| External Grants | 4,854 |
| Earmarked Reserves | 1,195 |
| General Fund Unsupported Borrowing | 138 |
| 2021/22 Funding Brought Forward | 1,322 |
| 2022/23 Total Capital Funding | 35,961 |

17 COUNCIL TAX DISCRETIONARY RELIEF POLICY

The report of the Director of Function (Resources)/Section 151 Officer setting out proposed amendments to the Council Tax Discretionary Relief Policy was presented for the Executive's consideration.

Councillor Robin Williams, Portfolio Member for Finance reported that while a number of amendments are proposed to the policy, the main change is at *Section 13A (1) (c) discretionary relief for class of dwelling* where it proposed that the policy is amended to support first time buyers with an Anglesey connection if they were to purchase an unoccupied long-term dwelling that is undergoing repair or structural work to render it habitable. The change proposes the insertion of an additional clause specific to first time buyers that allows first time buyers an exemption from paying Council Tax on the property for the first 12 months from the date of purchase and a further exemption from the empty property premium for up to a further 24 months provided that work to renovate the property and bring it back into use is ongoing, progressing and has not been completed.

The Executive supported the proposed amendments to the Policy and collectively welcomed the additional help for first time buyers with a connection to Anglesey.

It was resolved to recommend to Full Council that the amendments as set out are made to the Council Tax Discretionary Relief Policy as highlighted in Appendix A from 1 April 2022/23.

18 ENDORSEMENT OF THE ISLAND'S PROJECT SUBMISSION TO THE LEVELLING UP FUND

The report of the Head of Regulation and Economic Development seeking the Executive's approval for the Council's potential submission to the UK Government's Levelling up Fund was presented for consideration.

Councillor Carwyn Jones, Portfolio Member for Economic Development and Major Projects presented the report which proposed a potential submission to the Levelling Up Fund centred on a package of Holyhead projects. Based on the factors set out in the report it is considered that this approach represents the best possible opportunity of successfully gaining approval for funding. An open call for Expressions of Interest (EOI) across

Anglesey was made by the Council in August, 2021 and a total of 11 EOIs was received 5 of which were from Holyhead. The EOIs were assessed by Officers from the Economic Development Function following which it became clear that a strong bid could be submitted centred around Holyhead. Following Senior Leadership endorsement, Officers supported by external consultants, have been working on developing a potential bid centred in Holyhead which has involved securing further information from each of the 5 EOIs and conducting detailed discussions with them to assess each project's maturity, viability and alignment to the Levelling Up Fund principles and requirements.

The process to develop and finalise the potential bid is ongoing and will not be completed until March. It is therefore not possible to provide details on scope, value, risks and potential liabilities at this point in time. However, the Executive's support is sought so that Officers can continue to progress and develop the bid.

It was resolved –

- **To endorse the continued preparation of a Levelling Up Fund (LUF) application which focuses on Holyhead.**
- **Due to application submission deadline uncertainty, to delegate authority to authorise the final submission to the Senior Leadership Team (in consultation with the Leader).**

The meeting concluded at Time Not Specified

**COUNCILLOR <NAME>
CHAIR**