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CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

Mrs Annwen Morgan
Prif Weithredwr – Chief Executive
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RHYBUDD O GYFARFOD	NOTICE OF MEETING
PWYLLGOR SGRIWTINI CORFFORAETHOL	CORPORATE SCRUTINY COMMITTEE
DYDD LLUN, 28 CHWEFOR, 2022 am 9:00 y. b.	MONDAY, 28 FEBRUARY 2022 at 9.30 am
CYFARFOD RHITHIOL WED'I FFRYDIO'N FYW	VIRTUAL LIVE STREAMED MEETING
Swyddog Pwyllgor	Ann Holmes 01248 752518 Committee Officer

AELODAU/MEMBERS

Cynghorydd/Councillor:

PLAID CYMRU / THE PARTY OF WALES

John Griffith, Gary Pritchard, Dylan Rees (*Is-Gadeirydd/Vice-Chair*), Alun Roberts,
Nicola Roberts

Y GRWP ANNIBYNNOL / THE INDEPENDENT GROUP

Richard Griffiths, Richard O. Jones

PLAID LAFUR CYMRU/ WALES LABOUR PARTY

J. Arwel Roberts

ANNIBYNNWYR MÔN / ANGLESEY INDEPENDENTS

Aled Morris Jones (Democratiaid Rhyddfrydol Cymru/Welsh Liberal Democrats)(*Cadeirydd/Chair*)
Bryan Owen

AELODAU CYFETHOLEDIG (Gyda hawl pleidleisio ar faterion Addysg) / CO-OPTED MEMBERS (With voting rights when dealing with Educational matters)

Mr Keith Roberts (Yr Eglwys Gatholig / The Catholic Church)
Gwag/Vacant (Yr Eglwys yng Nghymru / The Church in Wales)
Mr Dyfed Wyn Jones (Rhiant Llywodraethwr – Sector Ysgolion Cynradd/Parent Governor-
Primary Schools Sector)
Llio Johnson (Rhiant Llywodraethwr – Sector Ysgolion Uwchradd ac ADY/Parent
Governor- Secondary Schools Sector and ALN)

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A G E N D A

1 DECLARATION OF INTEREST

To receive any declaration of interest by any Member or Officer in respect of any item of business.

2 MINUTES OF THE PREVIOUS MEETING (Pages 1 - 10)

To present the minutes of the previous meeting of the Corporate Scrutiny Committee held on 24 January, 2022.

3 2022/23 REVENUE BUDGET SETTING - FINAL DRAFT PROPOSALS (Pages 11 - 30)

To present the report of the Scrutiny Manager and the Director of Function (Resources)/Section 151 Officer.

4 2022/23 CAPITAL BUDGET SETTING - FINAL DRAFT PROPOSALS (Pages 31 - 48)

To present the report of the Scrutiny Manager and the Director of Function (Resources)/Section 151 Office

5 FINANCE SCRUTINY PANEL - PROGRESS UPDATE

To receive a verbal update from the Chair of the Panel.

6 EXTRA CARE DEVELOPMENT - TYDDYN MOSTYN, MENAI BRIDGE

To present the report of the Head of Housing Services.

7 TOWARDS A NET ZERO PLAN (Pages 49 - 76)

To present the report of the Deputy Chief Executive.

8 ISLE OF ANGLESEY VEHICLE CHARGING POINT PLAN (Pages 77 - 90)

To present the report of the Head of Highways, Waste and Property.

9 FORWARD WORK PROGRAMME (Pages 91 - 98)

To present the report of the Scrutiny Manager.

CORPORATE SCRUTINY COMMITTEE

Minutes of the virtual meeting held on 24 January, 2022

PRESENT: Councillor Aled Morris Jones (Chair)
Councillor Dylan Rees (Vice-Chair)

Councillors John Griffith, Richard Griffiths, Bryan Owen, Gary Pritchard,
Alun Roberts

Co-Opted Member: Mr Keith Roberts (The Catholic Church)

Portfolio Members

Councillors Llinos Medi Huws (Leader and Portfolio Member for Social Services), Richard Dew (Portfolio Member for Planning and Public Protection), Carwyn Jones (Portfolio Member for Major Projects and Economic Development), R. Meirion Jones (Portfolio Member for Education, Libraries, Culture and Youth), Alun Mummery (Portfolio Member for Housing and Supporting Communities), R.G. Parry, OBE, FRAgS (Portfolio Member Highways, Waste and Property), Dafydd Rhys Thomas (Portfolio Member for Corporate Business), Ieuan Williams (Portfolio Member for Transformation and the Welsh Language), Robin Williams (Portfolio Member for Finance)

IN ATTENDANCE: Chief Executive
Deputy Chief Executive
Director of Function (Resources)/Section 151 Officer
Acting Director of Function (Council Business)/Monitoring Officer
Director of Education, Skills and Young People
Director of Social Services
Head of Service (Housing Services)
Head of Service (Highways, Waste and Property)
Head of Service (Regulation and Economic)
Head of Adults' Services
Head of Profession (HR) & Transformation and Interim Head of Democratic Services
Service Manager (Housing Strategy, Commissioning & Policy)
Programme, Business Planning and Performance Manager
Scrutiny Manager (AGD)
Committee Officer (ATH)

APOLOGIES: Councillors Richard Owain Jones and Nicola Roberts

ALSO PRESENT: By invitation for the Budget items: Councillors Glyn Haynes, Kenneth Hughes, Trefor Ll. Hughes, MBE, Eric Jones, Robert Ll. Jones, Dafydd Roberts (Chair of the Finance Scrutiny Panel)

The Chair welcomed everyone to the meeting and those present introduced themselves.

1 DECLARATION OF INTEREST

Councillor Dylan Rees declared a personal but not prejudicial interest with regard to item 6 on the agenda as a volunteer with Bwyd Da Môn to which reference was made in the report under item 6.

2 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting of the Corporate Scrutiny Committee held on 16 November, 2021 were presented and were confirmed as correct subject to the following –

Arising thereon – Item 5 Transitional Plan

Councillor Gary Pritchard proposed that the minutes be amended to include a record of the exchange of views that took place at the end of the discussion on the item above on the subject of the Council's Small Group Homes (Cartrefi Clyd) and be re-submitted to the next meeting.

At the request of the Chair who commented that he believed all the substantive matters were included in the minutes and that they were in accordance with the convention as regards other Council minutes, the Acting Director of Function (Council Business)/ Monitoring Officer advised that the matter be dealt with in two parts namely to approve the remainder of the minutes (excepting the proposed amendment), and separately the matter of accuracy in terms of amending them for the next meeting; this would allow this meeting to progress to the next business with that caveat.

On the basis of the above, it was resolved to approve the remainder of the minutes of the previous meeting held on 16 November, 2021.

3 2022/23 REVENUE BUDGET SETTING

The report of the Scrutiny Manager was presented for the Committee's consideration. The report outlined the context to the 2022/23 Budget setting process along with the key issues and questions for Scrutiny in evaluating the Executive's initial revenue budget proposals. The following documentation was appended to the report -

3.1 The detailed report of the Director of Function (Resources) and Section 151 Officer to be presented to the Executive on 24 January, 2022 on the preparation of the 2022/23 standstill budget, the provisional settlement and funding the budget gap.

Councillor Robin Williams, Portfolio Member for Finance in presenting the report referred to the tight timescale for developing the initial budget proposal from the announcement of Welsh Government's provisional settlement on 23 December, 2021 and to the significant work in the background which this had involved. The provisional settlement for local government in Wales shows an increase of £456m in the overall level of funding for Wales equivalent to 9.8% increase in cash terms which when adjusted for grants transferred amounts to £437.4m which is a 9.4% increase. The increase for Anglesey in comparison to the 2021/22 adjusted AEF is £9.677m or 9.23% and is very much welcomed after many years of real term reduction in funding and provides the Council with an opportunity to address some of the service issues and risks that have arisen during that time and to reinvest in critical front line services after a long period of austerity and enforced cutbacks. Notwithstanding the more generous settlement there are still a number of budget risks that need to be borne in mind in moving into the 2022/23 financial year and these are documented in the report. However, the proposed 2% increase in Council Tax might potentially be the lowest increase in North Wales and will likely be among the lowest increases throughout Wales.

The Director of Function (Resources)/Section 151 Officer guided the Committee through the proposals in greater detail and highlighted the following issues and their implications for the 2022/23 budget -

- The major changes between the 2021/22 final budget and the 2022/23 initial budget for which provision has been made in the 2022/23 draft revenue budget. These include pay inflation (teaching and non-teaching staff) and other staffing pressures and non-pay inflation. At present, the non-teaching staff pay award effective from April, 2021 has yet to be agreed thereby creating additional uncertainty around the accuracy of the pay budget and whilst the teachers' pay budget being set in September each year gives some certainty for part of 2022/23, there is significant uncertainty over the pay award from September, 2022 onwards. An increase of 1.25% in employer national insurance contributions increases the Council's costs by approximately £500k. Taking all these aspects into consideration, it is estimated that the overall pay budget will increase by £4.053m in 2022/23.
- The Council's non pay costs are made up of a number of different contracts and procurement methods all of which are affected by inflation in different ways as set out in section 4.3 of the report. In drawing up the standstill budget the level of inflation as determined by a specific contract has been allowed for. Where no formal agreement exists detailing how inflation is determined a general level of 2% has been allowed for with energy budgets increase by 3% and for Social Service contracts, where costs are driven by increases in staffing costs, 5% as been allowed for although it should be noted that discussions with regard to residential and nursing care home fees are ongoing. A general 3% increase has again been applied to non-statutory fees and charges for 2022/23. The net increase of the adjustments for non-pay inflation and non-statutory income is £2.479m.
- Pupil numbers – for 2022/23 the number of primary school pupils has continued to fall with a further drop of 126 pupils whilst the number of secondary school pupils has increased by 89 as has the number of pupils at Canolfan Addysg y Bont which is up by 12 pupils. The net effect of these changes is an overall increase in the delegated schools budget of £295k.
- Levies raised on the Council by other bodies the main levy being that raised by the North Wales Fire Authority which has resolved to increase its levy on the 6 constituent North Wales authorities by 6.3% for 2022/23 translating to an increase of £225k to the levy on the Council and taking the levy which is funded by the Council to £3.915m.
- Capital Financing Charges where the net effect of the three changes noted in paragraph 4.6 of the report is to reduce the capital financing budget by £183k and Contingencies where the annual review of these budgets has concluded that £122k can be taken out to take account of the adjustments to these budgets.
- Funding Expectations from Welsh Government – in determining the level of Aggregate External Finance (AEF) provided to each Council, Welsh Government has made it clear that the AEF has provided funding for a number of cost pressures which the Council will face in 2022/23 for which no additional funding will be provided. Each Council will be expected to provide sufficient funding in the annual budget to cover these costs. The main areas that need to be allowed for include payment of the Real Living Wage to care staff (an additional £200k over and above the 5% increase for inflation on external provider care fees to meet the cost of paying the Real Living Wage for care staff); Homelessness Prevention (a £350k provision assuming that Anglesey will receive a £180k share of additional grant funding to maintain the level of service provided during the pandemic); Covid Hardship Fund (£300k contingency sum to cover costs previously provided for by the Fund based on the assumption that there is no significant deterioration in the Covid situation); new duties arising from the Local Government and Elections (Wales) Act 2021 (£78k)
- The settlement enables the Council to start addressing the service risks and issues that have arisen as a result of several years of austerity where capacity and provision

have been reduced. As part of the budget setting process Heads of Service and Service Directors were asked to determine what level of funding would be required to help them address service issues and risks. Based on the initial bids, the allocations set out in Table 2 of the report totalling £2.864m have been included in the initial budget proposals although it should be noted that the short timescale between the announcement of the provisional settlement and the need to publish the initial budget proposal have not allowed all the proposed investments to be fully examined and challenged by Members. Further work will take place before the adoption of the final budget proposal in March, 2022 to examine the detailed proposals put forward by Head of Service and Service Directors.

- After taking into account Welsh Government's provisional settlement and the main budget changes, the funding position prior to any increase in Council Tax is set out in Table 3 of the report and shows an initial proposed net revenue budget of £158.365m for 2022/23 against total available funding of £157.506m. In order to fund the deficit of £0.858m it would be necessary to increase Council Tax by 2% which would take the Band D charge to £1,367.46 which is an annual increase of £26.82 and a weekly increase of £0.52.
- Budget Risks – in setting the budget there are a number of financial risks which need to be assessed which may result in a financial cost to the Council. Some of these risks have been allowed for in the budget proposal whilst others have not and would be covered by the Council's general balances and reserves should they materialise into financial costs in the year. The Council's unallocated general balances stand at £9.3m. The proposed capital budget for 2022/23 allocates £1.68m of these balances as capital funding which reduces the unallocated balance down to £7.6m. An underspend in the region of £1m is forecast on the 2021/22 revenue budget which if realised would be added back to the Council's general balance thereby increasing the total to £8.6m. As a rule of thumb, the Executive has set the minimum general balance as 5% of the net revenue budget which for 2022/23 would be £7.9m. Given the risks documented in paragraph 6.5 of the report which are not covered or only partly addressed in the budget and are greater than in any normal year, it is thought prudent for the Council to carry a level of general balance that is higher than 5% of the net revenue budget.

The Committee thanked the Director of Function (Resources)/Section 151 Officer for the detailed report and presentation and for explaining the budget development process in a clear and understandable way. In considering the budget proposal the Committee raised the following matters -

- With regard to long term framework agreements where the annual price of goods/provision is set by the framework and which apply to the Council's main energy contracts thereby affording the Council some protection from price increases in the short term, the Committee sought clarification of the length of these framework agreements and whether when they end the Council will therefore take a significant hit from energy costs. The Director of Function (Resources)/ Section 151 Officer advised that it all depends on how long it takes for the upsurge in energy prices to subside. In fixing its energy cost in October the Council will have avoided much of the impact of the rising price of energy should the price have then reduced by the following October; however if it remains high at the renewal date the Council will have to meet the cost at that time and having fixed at a high level will be worse off if the price subsequently comes down.
- With regard to the obligations involved in having to establish a new Port health Authority from scratch which it recognised as a significant risk the Committee wanted to know whether there is anything in the provisional settlement that acknowledges that Anglesey is one of only two authorities in Wales on which these duties fall or is the Authority expected to shoulder the burden in full bearing

in mind the reported fall in traffic through Holyhead Port and the consequent uncertainty regarding the levels of income that can be expected. The Committee further sought clarity on the estimated costs involved in setting up and running the Port Health Authority. The Deputy Chief Executive advised that no additional funding has been allocated for this purpose for 2022/23 or beyond. Welsh Government is of the view that the charging model whereby the income generated covers all the costs is sustainable in the long-term. The Authority thinks that that is unlikely to be the case in the short-term and is therefore asking that a funding pot be put in place from which the Authority can draw to meet any additional costs that befall it in this regard and to help it balance the books. Discussions with Welsh Government Officials are ongoing and are to be escalated to Leader and Ministerial level leading hopefully to an agreement that will safeguard the Authority sooner rather than later. The Authority is also liaising closely with Pembrokeshire Council which is in a similar position albeit its port operations in terms of the nature and volume of its traffic are on a smaller scale than those of Holyhead meaning the financial risk to the Council is reduced compared to that of Anglesey. Information regarding costs is not available at this point as those are subject to confirmation of the number and nature of checks to be undertaken which are factors that will influence costs. The Authority has for a long time made clear its stance that it is unfair to expect it to bear the cost of what is ultimately a part of national infrastructure and responsibility. On a more positive note, the Westminster Government has agreed to provide additional funding to the Welsh Government for infrastructure by way of facilities and it is hoped that the Westminster Government will also provide additional revenue support to meet operational costs; failing that the Authority's position is that Welsh Government should be creating an additional line of support to cover any costs that cannot be met from the income generated.

Councillor Robin Williams informed the Committee that he and Councillor Llinos Medi in their capacity as Portfolio Member for Finance and Leader respectively had written to Welsh Government to emphasise the risk to the Authority in respect of its new Port Health Authority responsibilities but that the response had been disappointing reaffirming Welsh Government's thinking that the charging for service model is sufficient to cover costs.

- With regard to the 2nd Homes Premium, whether the estimated additional £451k funding which the increase in the premium is expected to generate is likely to be impacted by the number of homes transferring to business rates and therefore not subject to the premium. The Director of Function (Resources)/Section 151 Officer confirmed that 100 properties had transferred from paying Council Tax and the premium to being on the non-domestic rates register in the year but that the overall number of properties paying the premium has not fallen by an equivalent number as properties bought and used anew as second homes enter the system and become liable to pay the premium.
- With regard to investment in IT whether the investment is justified given the age of the Council's systems and whether there is a need therefore to review the fitness of the IT infrastructure that supports the Council's IT services in totality before further investment is made. The Committee was advised that IT requirements are constantly evolving and that investment needs to keep up with developments to ensure systems remain effective. The Council is currently investing in a new democratic system to facilitate hybrid meetings and will review other systems to ensure fitness for purpose as appropriate.

Having considered the information presented both within the report and verbally at the meeting, the Committee welcomed the opportunity provided by the financial settlement to invest in services whilst also acknowledging that there remain risk and uncertainty going forwards making it necessary to have a prudent level of resources in reserve. It was therefore resolved to endorse the recommendations of the report as Scrutiny's formal response to the draft initial proposed revenue budget for 2022/23 and to recommend the following to the Executive –

- **An initial proposed budget for 2022/23 of £158.365m**
- **A proposed Council Tax increase of 2% taking the Band B charge to £1,367.46**
- **That the Executive seek the opinion of the public on the initial budget proposal and Council Tax rise for 2022/23**

(Councillors Aled M. Jones and Bryan Owen abstained from voting)

4 2022/23 CAPITAL BUDGET SETTING

The report of the Scrutiny Manager was presented for the Committee's consideration. The report outlined the context to the 2022/23 Capital Budget setting process along with the key issues and questions for Scrutiny in evaluating the Executive's initial capital budget proposals. The following documentation was appended to the report –

4.1 The report of the Director of Function (Resources)/Section 151 Officer to be presented to the Executive on 24 January, 2022 on the initial proposals for the 2022/23 capital budget based on the principles of the capital strategy, including how the capital programme is to be funded and any consequent impact on the general balance and earmarked reserves.

Councillor Robin Williams, Portfolio Member for Finance in presenting the report and the proposed capital programme for 2022/23 of £35.961m, highlighted that it is proposed that a sum of £1.681m from General Balances be used to make up a shortfall in capital funding in 2022/23 with the General Capital Grant from Welsh Government having reduced by £677k for next year compared to the funding received in 2021/22.

The Director of Function (Resources)/Section 151 Officer guided the Committee in greater detail through the various elements of the Capital Programme with reference to the following –

- The principles of the capital strategy which help determine the Council's capital programme and against which new bids are assessed.
- The anticipated funds available to finance the capital programme for 2022/23 as per Table 1 of the report (£35.961m to include £1.681m from General Balances) highlighting that there has been little increase in the general capital allocation received from Welsh Government for a number of years which if it continues at its present level will limit what can be done to refurbishing and replacing existing assets. It is proposed that the sums set out in section 4.2 of the report be allocated for this work in 2022/23.
- Schemes to the value of £1.322m that due to a number of reasons will not be completed in 2021/22 and will carry forward to 2022/23.
- Recommended one off capital projects to be funded in 2022/23 as per Table 3 of the report (£1.432m)
- Projects to be funded from earmarked reserves, service reserves and unsupported borrowing as per Table 4 of the report (£783k)
- The 21st Century Schools Programme to which the Council has made a commitment due to the significant amount of Welsh Government funding the schemes will attract and the need to modernise the existing school estate. The 2022/23 Capital Programme allows for the completion of the final Band A project (new Ysgol Corn Hir) and the commencement of Band B projects (extension to Ysgol Y Graig) at a cost in

2022/23 of £8.598m (net of any capital receipts) of which £2.169m will be made up of Welsh Government grant, £1.168m of supported borrowing and £5.61m of unsupported borrowing.

- The Housing Revenue Account which is ring-fenced to fund costs associated with the Council's housing stock. The proposed programme for 2022/23 will see £9.55m being invested in existing stock and a further £9.229m will be spent on developing new properties and in purchasing former right to buy properties. The programme will be funded from the HRA Reserve (£3.080m); the revenue surplus generated in 2022/23 (£7.019m); Welsh Government grants (£2.685m) and new unsupported borrowing (£6m).

The Committee thanked the Portfolio Member for Finance and the Director of Function (Resources) /Section 151 Officer for the report and presentation; there were no questions from the Committee on the proposed capital programme.

Having considered the information presented both written and verbally at the meeting it was resolved to recommend to the Executive the draft proposed Capital Budget for 2022/23 as presented.

5 FINANCE SCRUTINY PANEL PROGRESS REPORT

Councillor Dafydd Roberts, Chair of the Finance Scrutiny Panel updated the Committee on the Panel's discussions from its meeting held on 20 January, 2022 and highlighted the following points –

- The Panel received a detailed verbal presentation summarising the draft proposed revenue budget for 2022/23 based on the report to be presented to the Executive on 24 January, 2022 (as under item 3 above). The Panel noted the funding position in terms of the settlement received, the main budget changes and adjustments from 2021/22, the service budget pressures, and the key financial risks and challenges that may impact on the Council's financial plans for 2022/23. The Panel also noted the funding gap which it was proposed be bridged by a 2% increase in Council Tax. Having considered all these and the responses to matters raised at the meeting, the Panel resolved to put forward for the Corporate Scrutiny Committee's consideration the initial draft revenue budget of £158.365m for 2022/23; the proposed 2% increase in Council Tax and that the Executive should seek the opinion of the public on the initial budget proposal and Council Tax rise for 2022/23.
- The Panel also received a detailed verbal presentation summarising the draft proposed capital budget for 2022/23 based on the report to be presented to the Executive on 24 January, 2022 (as under item 4 above). The Panel noted the schemes making up the proposed capital programme for 2022/23 including the ongoing refurbishment and/or replacement of existing assets in accordance with the Capital Strategy principles and additional one off projects, as well as the resources available to fund the capital programme noting that because of a £677k reduction in the General Capital Grant from Welsh Government for 2022/33 it was proposed that £1.681m of the General Reserve be utilised to fund a deficit in the capital budget. It was further noted that the 21st Century Schools Programme will continue in 2022/23 and is partly supported by Welsh Government Grant funding and that the HRA capital programme includes works totalling £18.74m. Having considered all these and the further clarifications provided on matters raised at the meeting, the Panel resolved to put forward for the Corporate Scrutiny Committee's consideration the draft proposed Capital Budget for 2022/23 as presented.

The Committee noted the Panel's recommendations and thanked Councillor Dafydd Roberts for the feedback.

6 HOUSING STRATEGY 2022-27

The report of the Head of Housing Services incorporating the Housing Strategy for 2022 to 2027 was presented for the Committee's consideration.

Councillor Alun Mummery, Portfolio Member for Housing and Supporting Communities presented the report and Strategy and highlighted its overall strategic aim as being to ensure that the people of Anglesey have a place to call home, and are empowered and supported to contribute to the local community. He thanked the Housing Service staff for the work that had gone into drafting the strategy which he commended to the Committee as a positive document.

The Service Manager (Housing Strategy, Commissioning & Policy) said that the Strategy applies to many people on Anglesey as it will provide affordable housing which will include many different tenures, accommodation and assistance to vulnerable and specific client groups, young people who wish to purchase their own home, people who require adaptations due to ill-health and people at crisis points requiring immediate housing. This will be achieved by concentrating on six key themes which will provide a basis for identifying what the issues are and how the Strategy intends to address these in the short term of one to two years and medium to long term over the course of the Strategy. The Strategy has been out to public consultation the results of which are contained in Appendix 1 and has been adapted accordingly.

The Officer responded to points and questions raised by the Committee as follows –

- With regard to any new issues having emerged from the consultation, the Committee was advised that the Service had sought to consult as widely as possible on the strategy which involved making a number of presentations. In the year since work began on the draft strategy, the issue of second homes and property market pressures have come to the forefront of attention and these concerns are reflected in the responses to the strategy from members of the public and may not have been as prominent had the consultation been undertaken two years ago in the pre-Covid era.
- Whether the Service was disappointed with the fact that the online questionnaire only attracted 25 responses which then tends to skew the percentages despite its being regularly promoted through the Council's Social media platforms throughout the six week consultation period. The Committee wanted to know what could be done to improve the response to this and other consultations to make them more meaningful. The Committee was advised that attempts had been made to reach as many people as possible through Zoom meetings and that the questions on the questionnaire were clear, short and easy to understand. Although the response was limited overall, the respondents consisted of a cross section of people/groups and included members of the public.
- With regard to establishing a Task and Finish Group on Second Homes to seek solutions which will mitigate the effect second homes have on communities and residents, whether the group will be able to achieve anything in practice given that the power to address the second homes issue lies primarily with Welsh Government. The Committee was advised that the Task and Finish Group has been established internally at the request of the Executive and has been responding to a number of consultations by Welsh Government on the matter. While some of the issues connected with second homes will be addressed via national policies there is scope to be influencing those policies as well as developing local policies to respond to some of the challenges faced in housing e.g. the Shared Equity Policy which is being presented for the Executive's approval at this afternoon's meeting. It was confirmed that the Group has elected member representation consisting of the Portfolio Members for Housing, Finance

and Planning and that as it was established to formulate a response to a consultation which closes on 24 January, 2022 (with further consultations closing in February), it was not envisaged that it would be reporting more widely.

- Whether the Service has measures in place to assist tenants in fuel poverty given that the rising cost of energy is likely to drive an increasing number of people into that category. The Committee was advised that advice, guidance and support for tenants is provided by the Service's Financial Inclusion Officers and is also available via the O'Toole Centre in Holyhead; these resources seek to help tenants manage their finances so that they can reduce their energy costs and/or increase their income to meet their energy costs. An element of this service is also available to non-tenants and Anglesey residents in general.

Having considered the documentation presented and the response given to the questions raised, it was resolved to recommend approval of the Housing Strategy 2022-27 to the Executive.

7 FORWARD WORK PROGRAMME 2021/22

The report of the Scrutiny Manager incorporating the Committee's updated Forward Work Programme to March, 2022 was presented for consideration.

It was resolved –

- **To agree the current version of the forward work programme for 2021/22**
- **To note progress thus far in implementing the forward work programme.**

**Councillor A. M. Jones
Chair**

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ISLE OF ANGLESEY COUNTY COUNCIL <u>Scrutiny Report Template</u>	
Committee:	Corporate Scrutiny Committee
Date:	28 th February, 2022
Subject:	2022/23 Budget Setting (Revenue)
Purpose of Report:	Scrutiny consideration of final draft budget proposals for 2022/23
Scrutiny Chair:	Cllr Aled Morris Jones
Portfolio Holder(s):	Cllr Robin Williams
Head of Service:	Marc Jones, Director of Resources / Section 151 Officer
Report Author:	Anwen Davies, Scrutiny Manager
Tel:	01248 752578
Email:	AnwenDavies@ynysmon.gov.uk
Local Members:	Applicable to all Elected Members

25

1 - Recommendation/s
Agree a formal response to the Executive on the Council's final draft proposed revenue budget for 2022/23 (using the key scrutiny questions in paragraph 4 below).

2 – Link to Council Plan / Other Corporate Priorities
Direct link with the Council Plan and transformation priorities. The Committee's consideration of the initial budget proposals for next year will include how the proposals enable the new Council to deliver on the Council's Transitional Plan as well as any specific risks.

3 – Guiding Principles for Scrutiny Members
To assist Members when scrutinising the topic:- 3.1 Impact the matter has on individuals and communities [focus on customer/citizen] 3.2 A look at the efficiency & effectiveness of any proposed change – both financially and in terms of quality [focus on value] 3.3 A look at any risks [focus on risk] 3.4 Scrutiny taking a performance monitoring or quality assurance role [focus on performance & quality] 3.5 Looking at plans and proposals from a perspective of: <ul style="list-style-type: none"> • Long term • Prevention • Integration • Collaboration • Involvement [focus on wellbeing] 3.6 The potential impacts the decision would have on: <ul style="list-style-type: none"> • protected groups under the Equality Act 2010

- those experiencing socio-economic disadvantage in their lives (when making strategic decisions)
- opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language

[focus on equality and the Welsh language]

4 - Key Scrutiny Questions

The following key questions are proposed to underpin the Committee's consideration of the 2022/23 budget proposals:

- Using the information available to the Committee about Council services and draft funding settlement for 2022/23, do the proposals respond adequately to Service pressures and challenges?
- Does the Committee consider that any of the budget proposals will have a detrimental effect on the citizens of Anglesey or any protected groups? Does the Committee consider that any further action should be taken to mitigate the impact of the proposals on Anglesey citizens or protected groups?
- Does the Committee support an increase in the Council Tax of 2% in order to realise the proposals of the Executive for 2022/23? If it does not, should the increase be more or less than that proposed by the Executive?

5 – Background / Context

1. CONTEXT

1.1 Scrutiny of the budget setting process has developed and matured over recent years, laying the foundations for a better, more systematic process based on outcomes and good practice. In fact, the process allows for a more systematic approach to financial scrutiny, as an essential building block of sound financial management and governance.

1.2 Members will be aware that finance is critical to the services the Council delivers and that there are far reaching implications to financial issues facing us as a local authority – both in terms of the services being received by our citizens and also the level of Council Tax or fees and charges being levied¹. This will inevitably require us to ask challenging questions about which services to offer to the future and which services to invest in and also the degree to which current methods of service delivery remain appropriate. Another consideration is also how best to manage expectations of local people in making the necessary changes. In the current economic climate, Members therefore need to be assured that the Council is making the most effective use of resources, in particular finances.

1.3 In considering their response to the final draft budget proposals, members of the Corporate Scrutiny Committee will need to consider the proposals in terms of the longer term financial position of the Council (our Medium Term Financial Plan) and the Council's objectives and priorities as set out in the Transitional Plan.

2. SETTING THE COUNCIL'S BUDGET FOR 2022/23

2.1 Attached is the report of the Director of Function (Resources) / Section 151 Officer on the final draft proposals for the 2022/23 budget (**APPENDIX 1**) which

¹ Raising the Stakes: financial scrutiny in challenging times. A guide for Welsh local authorities (Centre for Public Scrutiny June, 2014)

will be submitted to a meeting of the Executive on 3rd March, 2022. The paper provides a position statement on the following issues:

- The Executive's initial budget proposals
- Local Government initial settlement (Welsh Government)
- Initial budget position for 2022/23
- Budget pressures which must be allowed for in the 2022/23 budget
- Investment proposals to address service issues and risks
- The financial risks which the Council faces during 2022/23
- The level of Council Tax increase required to set a balanced budget
- Impact on the Medium Term Financial Plan

Details of the Final Settlement for the 2022/23 budget are expected from Welsh Government on 2nd March, 2022.

3. FINANCIAL SCRUTINY – SETTING THE 2022/23 BUDGET

3.1 Financial scrutiny is much more than adding value to decisions taken by the Executive. It is about ensuring that there is proper scrutiny in the effective planning, delivery and follow up of key decisions impacting on taxpayers and local communities. Scrutiny should therefore:

- Provide effective challenge
- Hold decision makers to account; and
- Assist the Executive to develop a robust budget for the coming year.

4. FINANCE SCRUTINY PANEL

4.1 The Finance Scrutiny Panel has been established to ensure the following key outcomes:

- Develop a model of working on finance matters focusing on a smaller group to enable Members to become more involved, develop a level of subject expertise, encourage good attendance and teamwork
- Forum to develop a group of members with the expertise and ownership to lead financial discussions at the Corporate Scrutiny Committee

4.2 The Panel gave further consideration to the budget proposals at its last meeting (14th February, 2022). A summary of the Panel's deliberations will be presented verbally at the meeting by Cllr Dafydd Roberts, chair of the Panel.

5. PUBLIC CONSULTATION PROCES

5.1 For the first time in several years, it is possible for the Council to consider investment in order to address service issues and risks. The level of investment is dependent on the level of the increase in the Council Tax.

5.2 The consultation set out the Council's financial position, the financial risks and issues which the Council faces. It also sought the views of Anglesey taxpayers on the Executive's proposal to address those risks through re-investment in services, partly funded by a 2% increase in Council Tax.

5.3 The consultation period ran for a period of a fortnight between 26th January and 9th February, 2022.

5.4 SUMMARY OF CONSULTATION

115 responses were received with nearly 30% of respondents within the 55-64 age group. Respondents replied from varying locations across Anglesey, from Holyhead to Benllech, Cemaes to Menai Bridge, Amlwch to Malltraeth, Rhosneigr, Llanfechell to name but a few.

95% of responses received were either from individuals acting on behalf of themselves or individuals acting on behalf of their families.

Of those responses 31% agreed that there should be a 2% increase in the Council Tax to fund activities which address the pressures identified as part of the consultation. 69% of the responses received did not agree with such a rise.

Of those who did not agree with such a rise when asked about what the Council should prioritise –

- 34% proposed that the County Council should prioritise investment into Children services, followed by
- 32% who believed the Council should prioritise investment into our highways, waste and property service to address challenges relating to decarbonisation and ash dieback and the demand for additional cleanliness in Council assets as a result of the pandemic.

A further 21 respondents believed that no such investment should be realised and that the County Council should continue as it is without the need for further investment.

6. KEY SCRUTINY ISSUES

6.1 The 2022/23 budget setting process provides an opportunity for Elected Members to consider and challenge the implications of the draft budget and any additional investment proposals. Input has also been received via the Finance Scrutiny Panel who have given detailed consideration to the budget proposals. At this stage in the process, the Corporate Scrutiny Committee is now requested to agree a formal response to the Executive² on the Council's proposals for the 2022/23 revenue budget (using the key scrutiny questions in paragraph 4 above).

6.2 In light of the 2022/23 budget setting process to date, it is therefore proposed that the Committee should:

- i. Consider the Executive's final draft budget proposals and provide comments which the Executive can consider before agreeing its final draft budget proposals on 3rd March, 2022.
- ii. Examine in detail the likely impacts on citizens of the initial proposals
- iii. Come to a view about the level of the Council Tax for 2022/23.

6 – Equality Impact Assessment [including impacts on the Welsh Language]

² Meeting of the Executive to be convened on 3rd March, 2022

6.1 Potential impacts on protected groups under the Equality Act 2010
Identify the need for impact assessments later in the 2022/23 budget setting process.
6.2 Potential impacts on those experiencing socio-economic disadvantage in their lives (strategic decisions)
Identify the need for impact assessments later in the 2022/23 budget setting process.
6.3 Potential impacts on opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language
Identify the need for impact assessments later in the 2022/23 budget setting process.
7 – Financial Implications
This report discusses the process for setting the Council's 2022/23 budget, which includes consideration of the final draft proposals for the revenue budgets.
8 – Appendices:
APPENDIX 1: report of the Director of Function (Resources) on the proposed revenue budgets for 2022/23.
9 - Background papers (please contact the author of the Report for any further information):
Anwen Davies, Scrutiny Manager, Isle of Anglesey County Council, Council Offices, Llangefni. LL77 7TW

ISLE OF ANGLESEY COUNTY COUNCIL

REPORT TO:	EXECUTIVE COMMITTEE
DATE:	3 MARCH 2022
SUBJECT:	MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2022/23
PORTFOLIO HOLDER(S):	COUNCILLOR R WILLIAMS
HEAD OF SERVICE:	MARC JONES – DIRECTOR OF FUNCTION (RESOURCES / SECTION 151 OFFICER
REPORT AUTHOR:	MARC JONES
TEL:	01248 752601
E-MAIL:	rmjfi@ynysmon.gov.uk
LOCAL MEMBERS:	n/a

A - Recommendation/s and reason/s

1. MEDIUM TERM FINANCIAL STRATEGY AND 2022/23 REVENUE BUDGET

1.1 Purpose

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;
- The use of any one-off funds to support the budget.

1.2 Summary

This paper shows the detailed revenue budget proposals requiring final review and agreement for 2022/23, and the resulting impact on the Isle of Anglesey County Council's revenue budget. These are matters for the Council to agree, and the Executive is asked to make final recommendations to the Council.

The paper also updates the Medium Term Financial Strategy, which provides a context for work on the Council's future budgets. However, it should be noted that a further report on the Council's Medium Term Financial Strategy will be presented to the Executive later in the year when further information on the economy and the proposed future local government financial settlement may be clearer.

2. 2022/23 REVENUE BUDGET AND COUNCIL TAX RECOMMENDATIONS

The Executive is requested :-

- 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;

<ul style="list-style-type: none"> • To recommend a net budget for the County Council of £158.365m 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%. 		
B - What other options did you consider and why did you reject them and/or opt for this option?		
A number of options were considered following the issue of the initial budget proposals. The final budget proposals take account of the final local government settlement, views expressed during the consultation process and the views of the Scrutiny Committee.		
C - Why is this a decision for the Executive?		
The Council's Constitution requires the Executive to publish its final budget proposal prior to its consideration by the Council.		
CH - Is this decision consistent with policy approved by the full Council?		
Yes. The final decision on the 2022/23 revenue budget will be taken by the full Council at its meeting on 10 March 2022.		
D - Is this decision within the budget approved by the Council?		
N/A		
Dd – Assessing the potential impact (if relevant):		
1	How does this decision impact on our long term needs as an Island?	In drawing up the budget proposal, the Executive has considered its statutory duties and the objectives set out in its Corporate Plan.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	The details of any savings proposals are set out in the report.
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom	The Council has been working with other Councils and the WLGA to press the Welsh Government for the best financial settlement possible.
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	The budget proposals have been subject to a consultation process, the details of which are included in the report. The Executive has considered the results of the consultation before agreeing the final budget proposal.

5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	Any proposals included in the final budget for 2022/23 will take into account the impact on any protected groups.
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	The budget will result in an increase in the Council Tax payable by the taxpayers of Anglesey. Those experiencing socio-economic disadvantage are more likely to qualify for help through the Council Tax Reduction Scheme, which should result in no financial impact / limited financial impact to those who are experiencing socio-economic disadvantage.
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	No impact identified.
DD - Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	The Chief Executive and Senior Leadership Team have been part of the budget setting process throughout and are in agreement with the report and support the final budget proposal.
2	Finance / Section 151 (mandatory)	N/A – this is the Section 151 Officer's report.
3	Legal / Monitoring Officer (mandatory)	The Monitoring Officer is part of the SLT and, as such, the Officer's comments have been taken into account.
4	Human Resources (HR)	-
5	Property	-
6	Information Communication Technology (ICT)	-
7	Scrutiny	Final budget proposals were considered by the Scrutiny Committee at its meeting on 28 February 2022. A verbal update on the outcome of the meeting will be provided to the Executive.
8	Local Members	The Council's budget is applicable to all Members and consultation has taken place throughout the budget setting process.
9	Any external bodies / other/s	See Section 2 of the report.
F - Appendices:		
<ul style="list-style-type: none"> Appendix 1 – Detailed report on the Budget Proposals Appendix 2 – Summary of the Results of the Consultation Process Appendix 3 – Summary of the Proposed Revenue Budget 2022/23 by Service 		
FF - Background papers (please contact the author of the Report for any further information):		
<ul style="list-style-type: none"> Initial Budget Proposals for 2022/23 – Executive Committee – 24 January 2022 Initial Budget Proposals for 2022/23 – Corporate Scrutiny Committee – 24 January 2022 Medium Term Financial Plan for 2022/23 to 2024/25 – Executive Committee – 27 September 2021 Full report on the Budget Consultation 		

1. INTRODUCTION AND BACKGROUND

- 1.1. The following report sets out the 2022/23 revenue budget proposals, and is one of a set of reports which provides an overall picture of the financial position of the Council and ensures that the Council funding is allocated to meet its priorities. The other reports in the set relate to the Council's Capital Programme and Capital Strategy, the Council's Treasury Management Strategy and Fees and Charges.
- 1.2. The revenue budget and the continued need to identify revenue savings has been driven by the Medium Term Financial Plan as approved by the Executive Committee in September 2021 and can be summarised as follows:-

Table 1
Medium Term Financial Plan 2022/23 to 2024/25

	2022/23 £'m	2023/24 £'m	2024/25 £'m
Net Revenue Budget B/F	147.420	153.987	157.178
Budget Pressures and Inflation	6.567	3.191	3.439
Revised Standstill Budget	153.987	157.178	160.617
Aggregate External Finance (AEF) for 2021/22	104.825	104.825	104.825
Council Tax	42.295	42.295	42.295
Total Funding	147.120	147.120	147.120
Additional Funding Requirement / Savings Required	6.867	10.058	13.497
Main Assumptions			
Pay Awards – Non Teaching	2.81%	2.00%	2.00%
Pay Awards - Teaching	1.60%	2.00%	2.00%
General Inflation	2.00%	2.00%	2.00%

- 1.3. Given the lack of forward information, it was difficult to estimate the change in the level of the Aggregate External Finance (AEF) provided by the Welsh Government for 2022/23, and even more difficult to estimate the changes in 2023/24 and 2024/25. The AEF is a significant figure from which the Council then determines the level of Council Tax increase and any savings it is required to make in each year.
- 1.4. The economic situation has clearly moved on from the position in September 2021, with inflation rising quickly and to a level which has not been seen for a number of years. This has had a significant impact on the pay and prices inflation factors and has increased the estimated budget requirement from that set out in the Medium Term Financial Plan in September 2021.

2. THE INITIAL BUDGET PROPOSAL

- 2.1. At its meeting on 24 January 2022, the Executive discussed its original budget proposal and the provisional budget settlement which the Welsh Government had published on 21 December 2021.
- 2.2. The provisional settlement was significantly better than anticipated, and would provide the Council with £114.549m, which is an increase in cash terms of £9.724m (9.27%) but, after allowing for grants transferring into the settlement and the effect of the change in the Council's taxbase, the adjusted increase was £9.677m (3.23%).
- 2.3. The Executive proposed a budget for 2022/23 of £158.365m and, given the provisional AEF of £114.549m, this would require an increase of 2.00% in Council Tax to balance the budget.

- 2.4.** In setting the proposed budget, the Executive recognised the need to begin re-investing in services that had seen significant budget cuts during the period of austerity. £2.86m has been allocated in the final budget proposal and will allow services to:-
- Deal with increased demands for services;
 - Mitigate risks to public safety;
 - Increase the level of resources directed to dealing with the Island's socio-economic challenges;
 - Continue the work to achieve a carbon zero organisation by 2030;
 - Continue to improve and modernise the Council's IT systems and business processes;
 - Continue to improve customer service.
- 2.5.** The budget proposal does not require any services to implement any budget savings for 2022/23.
- 2.6.** Although not intended as a measure of what the Council's net revenue budget should be, the Standard Spending Assessment (SSA) does give some indication as to whether the Council's budget is at a reasonable level for the Council. The SSA for 2022/23 is £159.692m and the proposed budget is, therefore, 99.2% of the SSA.

3. THE COUNCIL'S CONSULTATION

- 3.1.** The Council published its budget proposals on 26 January 2022 and the consultation period closed on 9 February 2022. Citizens, partners, stakeholders and staff were asked to respond to the consultation by responding to a questionnaire on the Council's website. The consultation process was widely advertised on the Council's social media.
- 3.2.** Given the short time available to undertake consultation, arising from the late announcement of the provisional settlement and the fact that the pandemic and associated lockdown has restricted the Council's ability to hold meetings with its partners and stakeholders. However the budget proposals were discussed at the Town and Community Council Forum on 7 February 2022, and the Schools' Finance Forum, which met on 16 February 2022. Both meetings were supportive of the proposals and no major concerns or objections were raised at the meetings.
- 3.3.** A summary of the results of the consultation process is as follows:-
- 115 responses were received, with nearly 30% of respondents within the 55-64 age group. Respondents replied from varying locations across Anglesey, from Holyhead to Benllech, Cemaes to Menai Bridge, Amlwch to Malltraeth, Rhosneigr, Llanfechell and Coedana, to name but a few.
 - 95% of responses received were either from individuals acting on behalf of themselves or individuals acting on behalf of their families.
 - Of those responses, 31% agreed that there should be a 2% increase in the Island's Council Tax to fund activities which address the pressures identified as part of the consultation. 69% of the responses received did not agree with such a rise.
 - Of those who did not agree with such a rise, when asked about what the Council should prioritise –
 - 34% proposed that the County Council should prioritise investment into Children's Services, followed by
 - 32% who believed the Council should prioritise investment into our highways, waste and property service, to address challenges relating to decarbonisation and ash dieback and the demand for additional cleanliness in Council assets as a result of the pandemic.
 - A further 21 responses believed that no such investment should be realised and that the County Council should continue as it is without the need for further investment.

4. SCRUTINY COMMITTEE

- 4.1. Due to the delays in receiving the provisional and final settlement, the budget timetable for 2022/23 has had to be condensed in order to ensure that the Council is in a position to set the Council Tax within the timeframe set out in the Local Government Finance Act 1992 (Section 30(6)). The 2022/23 initial budget proposal was considered by the Finance Scrutiny Committee at its meeting on 24 January 2022 and was given further consideration at its meeting of 28 February 2022, and a verbal report on the Committee's deliberations will be presented to the Executive at the Committee meeting. The Finance Scrutiny Panel examined in detail the service investment proposals at its meeting on 14 February 2022, and the Panel's comments were reported to the Corporate Scrutiny Committee meeting on 28 February 2022.

5. ROBUSTNESS OF ESTIMATES

- 5.1. Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of budget estimates and the adequacy of the proposed financial reserves.
- 5.2. Budget estimates are based on assumptions of future expenditure and income and contain an element of assumption risk. The impact of this risk can be mitigated through contingency plans, contingency budgets and financial reserves.
- 5.3. The robustness of budget estimates is not simply a question of whether they are correctly calculated. In practice, many budgets are based on estimates or forecasts, and there may be an element of risk as to whether plans will be delivered or targets achieved. Different risks to the budget are considered in turn below:-
- **Inflation Risk** – When inflation levels are low and the overall movement in the inflation rate is small, then the inflation risk is low, as has been the case for a number of years. However, there is a greater level of uncertainty surrounding pay and price inflation in 2022/23, and this significantly increases the risk. During late 2021, inflation started to increase quickly, and it is expected that this increase will continue during the early part of 2022. However, there are differing opinions as to whether this is a spike in inflation, which will ease during the second half of 2022, or whether higher inflation will continue for all of 2022. To some extent, the Council is protected from this risk because a majority of our larger contracts (school meals, highway maintenance, refuse collection etc.) use inflation indices from September, October or November 2021 to determine the inflation for 2022/23. Given that these figures are known, they have been built into the proposed budget for 2022/23. Pay is the Council's largest cost, and the pay award for non-teaching staff for 2021/22 has yet to be agreed and no offer has been made for 2022/23. The budget proposal allows for an increase of 1.75% for 2021/22 and 3.5% for 2022/23. Any award above these figures would have to be funded from the Council's reserves. The teachers' pay award up to September 2022 has been agreed and, again, 3.5% has been allowed for the pay award which will be implemented in September 2022. For the remainder of the Council's expenditure, 2% has been allowed for as an inflation factor but, as the vast majority of the Council's expenditure is pay related or covered by a contract, the financial risk of under estimating this figure is low and would be mitigated by the Council holding sufficient general balances.
 - **Interest Rate Risk** - Interest rates affect a single year's revenue budget through the interest earned - i.e. an interest rate rise is beneficial. The Authority's Treasury Management Strategy requires investments to be made on the grounds of security and liquidity of the investment as the first consideration, with investment returns being a lower priority, therefore, the budget is not reliant on high investment returns. Interest rates continue to be very low, but are beginning to rise and may have to rise more sharply than anticipated if inflation continues to remain high. The majority of the interest paid by the Council relates to fixed rate loans which will not change should the interest rate rise. Therefore, the interest rate risk is considered low and, as in previous years, this is a compensating risk for inflation risk, because if one increases, the other is likely to increase also.

- **Grants Risk** - These are risks attached to the large number of specific grants from WG, Europe or other bodies which support a good proportion of Council spending. Some of these may be reduced substantially or cut altogether; we do not have a complete picture of all these and we will not even have one as the financial year begins. While the immediate response is to say that when the grant ceases, so must the associated expenditure, there is a risk that this may not always be possible. It may not be possible when contract terms mean the expenditure cannot be cut as quickly as the income, or involves unfunded severance costs. It may not be possible if the activity funded turns out to be so important to the delivery of the Council's own priorities that the Council decided it must continue the expenditure. Efforts to mitigate this risk are to ensure we have the best information available on each grant, but significant changes during the year cannot be entirely ruled out.
- **Income Risks** – The budget is based on securing an overall 3% increase in fees, and a number of services have assumed rises up to 3%. If the elasticity of demand for Council Services is such that volume falls, and income targets are not achieved, that may cause overspending on net budgets. This will require close monitoring of the net budget position and, if necessary, cutting back on spending to match reduced income.
- **Optimum Risk** – In previous years, probably the greatest risk in current circumstances is that the Authority, Members and Officers have been over-optimistic in the savings that will be achieved or that demand for services, particularly social care, will not increase significantly. For 2022/23, there are no savings proposed and, as such, this risk is not applicable to the 2022/23 budget.
- **Over-caution Risk** – This is the opposite of optimum risk: the danger that our budgets have been drawn up with too much caution and, so, are more than is required, and this would result in the Council Tax being set at a level that is higher than required, which is something that Members are keen to avoid. The Section 151 Officer is satisfied with the budget setting process and that the budget set is a fair assessment of the resources required by each service, based on the relevant factors as they stand at the moment.
- **Council Tax Premium** – In setting the taxbase, it is accepted that the number of empty properties and second homes can change during the year and, as such, only 80% of eligible properties are included in the taxbase. This protects the Council's budget should there be a significant drop in numbers. However, it should be noted that the number of empty properties used in the taxbase calculation fell from 394 properties in October 2020 to 324 properties in October 2021, and the number of second homes rose from 2,067 to 2,149 over the same period. The change in the level of the second home premium from 35% to 50% presents a significant risk in 2022/23. The increase may encourage second home owners to sell or let their property i.e. one of the intended purposes of increasing the premium, however, it may encourage a greater amount of non payment or avoidance by transferring to business rates or by other avoidance means. To mitigate the risk, additional staff will be employed to identify tax avoidance and minimise the amount of the premium lost as a result. As the Executive has committed to using all of the additional premium to address the issues caused by high numbers of second homes on Anglesey, any significant reduction in income would result in a reduction in the funding available for these initiatives in future years.

- **Council Tax Income** – The Council Tax income budget is based on the taxbase calculation as at November of the previous financial year. The taxbase changes constantly during the year, as new properties are included and exemptions and single person discounts are granted. These changes cannot be estimated and, invariably, lead to a difference between the actual debit raised and the budget. It should be noted that the number of properties being identified as self-catering accommodation and transferring to the business rates register has increased from 927 properties in February 2021 to 1,000 properties in February 2022, an increase of 83 properties. When a property moves across, the Valuation Office Agency will determine a date from which the property becomes liable for business rates, which can be a number of years back. Not only does the Council lose the Council Tax on these properties, but must also refund any Council Tax and premium which has been paid from the date when the property is placed on the Business Rates register. These movements can have a significant impact on the Council Tax yield in any one year.

The Covid pandemic has also resulted in the collection rate being lower than in previous years, and this may result in a financial loss in 2022/23 or future years, when uncollectable debts are eventually written off. The Welsh Government has provided grant funding to help cover the cost of uncollectable debts, and this funding will be released, if required, to mitigate the impact of a higher than normal level of debts written off.

- **Demand Risk** – A number of services can experience a change in the demand for its services. Some can be predicted and taken into account when setting the budget e.g. changes in pupil numbers. Others are more difficult to predict and a small increase in numbers can have a significant impact on costs. The budget allows for providing the service at current levels, with increases in demand covered by the Council's general balances or, in some cases, earmarked reserves.

- 5.4. Having considered all the risks noted above and the mitigating actions, the Section 151 Officer is of the view that the budgets are robust and deliverable.

6. GENERAL AND SPECIFIC RESERVES

- 6.1. The proposed budget incorporates a number of assumptions in terms of likely levels of income and expenditure in future years. There are, therefore, inevitably a number of financial risks inherent in the proposed budget, which are set out in paragraph 5 above.
- 6.2. In terms of any contingencies and reserves, the Section 151 Officer needs to review these in their totality in conjunction with the base budget itself and the financial risks which face the Authority. In addition, the review should incorporate a medium term view where needed and should take into account key developments that may impact on the need and use of one off resources.
- 6.3. A robust view is being taken on managing budget risks and protecting the financial health of the Council at this time. This is particularly the case when one off funds need to be adequately protected to fund future strategic / transformational changes, as opposed to funding significant overspends on the base budget itself.
- 6.4. Account has been taken of the need to keep the immediate reductions in spending and the resulting impact on services to a minimum, but this must be balanced against the need to ensure the medium and long term financial stability of the Council, and for savings to be implemented over the coming years in a phased and structured way. In addition, there is always some risk of unforeseen items of expenditure or overspending because of a more general pressure on a service budget, and reserves must also be adequate to absorb these pressures.

- 6.5. As at 31 March 2021, the Council's general reserves stood at £11.437m, which is equivalent to 7.77% of the Council's net revenue budget for 2020/21, 10.94% if the delegated schools' budget is excluded. During the year, £3m has been allocated to the roof repairs at CAYB, £1.376m were transferred into specific service reserves and £0.150m has been used for other purposes, but £0.643m of previously earmarked reserves have been transferred back into general balances. Therefore, the revised level currently stands at £7.554m.
- 6.6. £1.681m of the general balances have been allocated as funding for the 2022/23 capital programme. However, it is anticipated that there will be a significant underspend in 2021/22, which will allow the general balances to be replenished, £2m being a conservative estimate, which should allow the general balances to be around £8m at the end of the financial year, which is around 5% of the net revenue budget for 2022/23.
- 6.7. The level of general balances is a matter for the Council to decide based on the recommendation of the Council's Section 151 Officer but, as a general rule, 5% of the net revenue budget is considered to be an acceptable level. It is a matter for debate whether the net revenue budget should exclude the delegated schools budget, as schools hold their own balances to meet unexpected costs. Based on the current financial situation, there is a high degree of confidence that the level of general balances will exceed 5% of the net revenue budget at the beginning of the 2022/23 financial year.
- 6.8. Financial risks are also mitigated by holding earmarked reserves, which are held to mitigate specific risks or to fund specific projects which are of benefit to the Council. At the beginning of the financial year, the Council held £15.455m as earmarked reserves (including £1.376m as specific service reserves). A significant part of the reserve balance could be returned to general balances if the financial position of the Council worsened significantly during 2022/23. These earmarked reserves give an additional layer of financial protection in addition to the Council's general balances.
- 6.9. The proposed revenue budget for 2022/23 includes £0.405m of general contingencies which can be used to fund unexpected and unbudgeted expenditure during the year. These budgets again, serve to mitigate the financial risks inherent when setting the revenue budget.
- 6.10. Having taken into consideration the level of the Council's general balances, school balances, earmarked reserves and contingency budgets, the Section 151 Officer is content that the Council's financial position is sufficiently robust to withstand any difficulties that may arise during 2022/23 if the proposed revenue budget is insufficient to meet the actual costs incurred by the Council during 2022/23.

7. FINAL BUDGET PROPOSAL 2022/23

- 7.1. Since the completion of the initial budget proposals, further work has been undertaken to review and revise the final budget for 2022/23, including a full review of all the investments in the services by the Executive. This has resulted in changes to the initial budget proposal in terms of individual budget headings and the budget allocations between services, but the review has not had any impact on the final net budget requirement, which remains at as set out in Table 2 below:-

Table 2
Adjustments to Initial Budget Proposal

	£m	£m
Final Proposed Net Revenue Expenditure Budget 2022/23		158.365
Funded By:		
Revenue Support Grant	89.056	
Non-Domestic Rates	25.493	
Total AEF		114.549
Council's General Reserves		0.000
Council Tax (including Premium)		43.816
Total Funding		158.365

- 7.2.** The Welsh Government will publish its final local government settlement on 2 March 2022, which will be too late for the Executive to take account of in its final budget proposals. It is not anticipated that there will be any significant change between the provisional and final settlement, but any change will be accounted for by adjusting the level of general contingency if the variance is small, or by funding from / contributing to the Council's general balances should the variance be larger. As such, the proposed level of Council Tax will remain unchanged even if the final AEF differs from the figure shown in the provisional settlement.

8. COUNCIL TAX

- 8.1.** The Council's Band D Council Tax charge for 2021/22 was £1,340.64, which was 17th from the 22 Authorities in Wales and is lower than the Welsh Average of £1,430. More importantly for Anglesey is the comparison to the 5 other North Wales authorities. This is shown in Table 3 below:-

Table 3
Comparison of Council Tax Band Charges for North Wales Authorities

Authority	Band D Charge 2021/22 £	Amount Above / Below Anglesey £	Percentage Above / Below Anglesey %
Anglesey	1,341		
Gwynedd	1,483	+ £142	+ 10.6%
Conwy	1,383	+ £42	+ 3.1%
Denbighshire	1,437	+ £96	+ 7.2%
Flintshire	1,394	+ £53	+ 4.0%
Wrexham	1,319	- £22	- 1.6%

- 8.2.** The Council Tax budget for 2022/23 (prior to an increase in the Council Tax but after adjusting for the change in the Council Tax Base and premium) is £41.14m. Therefore, each 1% increase generates an additional £411k.
- 8.3.** After taking into account the provisional settlement figure of £114.549m, the revised budget requirement of £158.365m (see Table 2) would require £42.957m in Council Tax funding. To fund the revised budget requirement, the increase in the level of Council Tax would be 2.00%, taking the Band D charge to £1,367.46, an increase of £26.82 or £0.51 per week.
- 8.4.** In the provisional settlement, the standard tax element for the Council i.e. the standard Council Tax figure across Wales, which is used to determine the AEF for each Council, was set at £1,452.49, which is 3.5% higher than the 2021/22 figure.

9. EQUALITIES IMPACT ASSESSMENT

- 9.1.** In delivering its services, the Council has to be mindful of its duties under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 to assess the impact of key financial decisions on protected groups and have due regard to the result of such assessments.
- 9.2.** The proposed budget will not impact on any of the protected groups set out in the Regulations and, as a result, no Equality Impact Assessments are considered necessary.

10. UPDATING THE MEDIUM TERM FINANCIAL STRATEGY

- 10.1.** As stated in paragraph 1.4, the economic situation has changed considerably since the Council approved the Medium Term Financial Strategy (MTFS) in September 2021. In addition the provisional 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.

- 10.2.** The main area of uncertainty for the MTFS moving forward is inflation and its impact on future pay awards, whilst Covid and Brexit could still have a major impact on the nation's economy and as a consequence, on the Council's funding in 2023/24 and beyond and also the demand for Council services.
- 10.3.** However, based on the majority of the assumptions that were included in the MTFS approved in September 2021 but updating the assumptions for pay, inflation and the AEF, it is estimated that the Council's budget will increase by £3.3m in 2023/24 and £3.6m in 2024/25. The AEF would increase by £4m in 2023/24 and £2.8m in 2024/25.
- 10.4.** The figures shown in paragraph 10.3 are based on a number of assumptions which will change over the coming months and this may alter the financial position significantly but, based on the above there may be some scope for further re-investment in services in 2023/24, but the financial position worsens in 2024/25. However the revised MTFS does not indicate that the budget for 2022/23 is unaffordable in future years.
- 10.5.** An updated MTFS will be presented to the Executive in September 2022.

11. CONCLUSIONS

- 11.1.** It is important that the budget set is achievable and accurately reflects the demands faced by services currently, although it is noted that a re-introduction of Covid restrictions would have a significant impact on the Council's budget. However, the budget assumes that the position will be no worse than it is now and that the restrictions will continue to ease over the coming months.
- 11.2.** The local government settlement is better than anticipated and, although it requires the Council to commit funding to some specific areas it also gives the Council the opportunity to re-invest in some services which have been most affected by budget reductions over the past 10 years.
- 11.3.** The additional grant funding that has been made available by Welsh Government has allowed the Council to strengthen its financial position and placed it in a stronger financial position moving forward into 2022/23 and beyond. There is always a risk that there is an increase in the demand for Council services which is not covered in the budget, but the increased level of general balances and earmarked reserves mitigates the risk substantially.
- 11.4.** Therefore, in the professional opinion of the Section 151 Officer, the proposed revenue budget for 2022/23 achieves the following objectives:-
- Ensures that the financial resources allocated to each service is sufficient to meet the current budget pressures and fulfil the demand for the statutory functions which the services must provide.
 - Addresses the continued underlying financial pressures in the Services which have been impacted most by an increased demand for services: Education, Children's Services and Adults Services, and allows for some re-investment in services which have been most affected during the period of austerity.
 - Sets a level of Council Tax which is comparable with the Welsh Government's assessment of where Anglesey's Council Tax should be, and is in line with the Council Tax set by other Welsh authorities of a similar size and type.

12. RECOMMENDATIONS

- 12.1.** The Executive is recommended to approve the final budget proposal, as set out in Paragraph 7, to the full Council meeting on 10 March 2022.

FINAL BUDGET PROPOSAL 2022/23 BY SERVICE

	Final Proposed Budget 2022/23 £
Education and Culture	57,268,324
Adult Services	29,963,922
Children's Services	11,715,110
Housing Services	1,914,489
Highways, Waste and Property	17,562,513
Regulation and Economic Development	4,619,800
Corporate Transformation	6,308,016
Resources	3,428,949
Council Business	1,857,068
Corporate Management	735,469
Total Service Budgets	135,373,660
Corporate and Democratic Costs	3,029,952
Recharges to HRA	(800,000)
Levies	3,957,345
Capital Financing	7,208,908
Benefits Granted	109,239
Discretionary Rate Relief	72,471
Council Tax Reduction Scheme	6,304,169
Total Allocated Budgets	155,255,744
General & Other Contingencies	2,492,347
Budget Pressures (Held Initially as a Contingency Budget)	616,830
Total Budget 2022/23	158,364,921
Funded By	
Revenue Support Grant	(89,056,039)
Non Domestic Rates	(25,492,959)
Council Tax (Including Council Tax Premium)	(43,815,923)
Council Reserves	0
Total Funding	(158,364,921)
Difference Budget to Funding	-

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ISLE OF ANGLESEY COUNTY COUNCIL <u>Scrutiny Report Template</u>	
Committee:	Corporate Scrutiny Committee
Date:	28 th February, 2022
Subject:	2022/23 Budget Setting (Capital)
Purpose of Report:	Scrutiny consideration of final draft budget proposals for 2022/23
Scrutiny Chair:	Cllr Aled Morris Jones
Portfolio Holder(s):	Cllr Robin Williams
Head of Service:	Marc Jones, Director of Resources / Section 151 Officer
Report Author:	Anwen Davies, Scrutiny Manager
Tel:	01248 752578
Email:	AnwenDavies@ynysmon.gov.uk
Local Members:	Applicable to all Elected Members

25

1 - Recommendation/s
The Corporate Scrutiny Committee is requested to agree a formal response to the Executive on the Council's final proposals for the 2022/23 capital budget (using the key scrutiny questions in paragraph 4 below), taking into account views from the Finance Scrutiny Panel.

2 – Link to Council Plan / Other Corporate Priorities
Direct link with the Council Plan and transformation priorities. The Committee's consideration of the initial capital proposals for next year will include how the proposals enable the Council to deliver on the Council's Transitional Plan as well as any specific risks.

3 – Guiding Principles for Scrutiny Members
To assist Members when scrutinising the topic:- 3.1 Impact the matter has on individuals and communities [focus on customer/citizen] 3.2 A look at the efficiency & effectiveness of any proposed change – both financially and in terms of quality [focus on value] 3.3 A look at any risks [focus on risk] 3.4 Scrutiny taking a performance monitoring or quality assurance role [focus on performance & quality] 3.5 Looking at plans and proposals from a perspective of: <ul style="list-style-type: none"> • Long term • Prevention • Integration • Collaboration • Involvement [focus on wellbeing] 3.6 The potential impacts the decision would have on:

- protected groups under the Equality Act 2010
- those experiencing socio-economic disadvantage in their lives (when making strategic decisions)
- opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language

[focus on equality and the Welsh language]

4 - Key Scrutiny Questions

The following key questions are proposed to underpin the Committee's consideration of the 2022/23 capital budget proposals:

- Given the limited capital resources available, does the Committee support the proposed capital programme?
- How do the 2022/23 capital proposals enable delivery on the Council's medium term priorities whilst balancing short term pressures?
- To what degree does the Committee consider use of £1.68m from general balances as part of the funding of the capital programme a valid use of reserves?

5 – Background / Context

1. CONTEXT

1.1 Scrutiny of the budget setting process has developed and matured over recent years, laying the foundations for a better, more systematic process based on outcomes and good practice. In fact, the process allows for a more systematic approach to financial scrutiny, as an essential building block of sound financial management and governance.

1.2 Capital Strategy 2021/22 – 2023/24

The revised CIPFA Prudential Code¹ requires local authorities to produce a capital strategy in order to:

- Set out the long term context within which capital expenditure and investment decisions should be made
- As a means of ensuring that Councils take capital and investment decisions in line with service objectives and priorities
- Ensure that local authorities properly take into account stewardship, value for money, prudence, sustainability and affordability when setting its capital programme.

The Authority's capital strategy and capital programme 2021/22 – 2023/24 was adopted by Full Council in March, 2021². It sets out the objectives, principles and governance framework to ensure that the Authority takes capital expenditure and investment decisions in line with the Council Plan and local transformation priorities. A fundamental principle of the Strategy is to focus capital expenditure on projects which assist the Council meet the following key objectives and help the Council meet its statutory responsibilities:

- Ensure that the people of Anglesey can thrive and realise their long term potential
- Support vulnerable adults and families to keep them safe, healthy and as independent as possible

¹ Revised Prudential Code (CIPFA) dated September, 2017

² Meeting of Full Council convened on 9th March, 2021

- iii. Work in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment

The Strategy also identifies the potential future capital expenditure, assesses the impact on the capital financing element of the revenue account and determines the funding available to finance new capital schemes for the period 2021/22 – 2023/24. Also, the strategy sets out the long term principles underpinning capital planning to the future.

1.3 Principles of the Capital Strategy

The Capital Strategy discusses a number of long term principles which should underpin the Council's capital programme:

- The annual capital programme should focus capital expenditure on projects which contribute most to the key priorities of the Council during the period up to 2023/24.
- Capital funding should be allocated each year to ensure investment in existing assets to protect them into the future
- The Council will maximise external capital funding wherever possible and affordable
- Capital funding will also be prioritised on assets required to help the Council deliver its statutory responsibilities
- Continued commitment to the 21st Century Schools Programme and to fully utilise external funding available

1.4 Capital Budget Funding Sources

The Council's annual capital programme is funded through a number of funding sources:

- Capital Receipts
- Contribution from Revenue / Reserves
- Supported Borrowing
- Unsupported Borrowing
- General Capital Grant
- External Grants
- Major Repair Allowance

- 1.5** In considering their response to the final draft capital budget proposals, members of the Corporate Scrutiny Committee will need to consider the proposals in terms of the longer term financial position of the Council (our Medium Term Financial Plan and Capital Strategy & Capital Programme 2021/22 – 2023/24) and the Council's long term objectives and priorities.

2. SETTING THE COUNCIL'S CAPITAL BUDGET FOR 2022/23

- 2.1** Attached is the report of the Director of Function (Resources) / Section 151 Officer on the final draft capital proposals for the 2022/23 budget (**APPENDIX 1**) which will be submitted to a meeting of the Executive on 3rd March, 2022. The paper provides a position statement on the following issues:

- The principles of the capital strategy;
- The proposed capital programme for 2022/23 including the general capital programme, investment in 21st Century Schools and the Housing Revenue Account capital programme;
- How the capital programme will be funded in 2022/23;
- Impact on general balances and earmarked reserves.

Details of the Final Settlement for the 2022/23 budget are expected from Welsh Government on 2 March 2022.

3. FINANCIAL SCRUTINY – SETTING THE 2022/23 BUDGET

3.1 Financial scrutiny is much more than adding value to decisions taken by the Executive. It is about ensuring that there is proper scrutiny in the effective planning, delivery and follow up of key decisions impacting on taxpayers and local communities. Scrutiny should therefore:

- Provide effective challenge
- Hold decision makers to account; and
- Assist the Executive to develop a robust capital budget for the coming year.

4. FINANCE SCRUTINY PANEL

4.1 The Finance Scrutiny Panel considered the latest details of the budget proposals at its meeting of 20th January, 2022. The Panel's deliberations were presented verbally at the last meeting of the Corporate Scrutiny Committee³.

5. PUBLIC CONSULTATION PROCES

5.1 The consultation sought the views of Anglesey taxpayers on the proposed capital budget. As the Initial Settlement was received so late in the year, the time available to consult on the proposals of the Executive was very short.

5.2 The consultation on the Executive's initial budget proposals was undertaken between 26th January – 9th February via the Council's website. The consultation was promoted via social media and press releases during this period.

5.3 115 responses were received with nearly 30% of respondents within the 55-64 age group. Respondent replied from across the Isle of Anglesey – Holyhead to Benllech, Cemaes to Menai Bridge, Amlwch to Malltraeth, Rhosneigr, Llanfechell and Coedana to name but a few.

5.4 95% of responses received were either from individuals acting on behalf of themselves or individuals acting on behalf of their families.

5.5 Of those responses, 45% agreed with the capital spending proposals for 2022/23, whilst 55% disagreed with the proposed capital spend for the year.

5.6 SUMMARY OF OUTCOME

39 comments were received with regards to people's disagreement with the proposed capital spend. These were varied of which a few can be noted as follows –

- Agreement that recycling centres / public conveniences should be upgraded by some, others noted that perhaps best to phase such an investment or outsource PC's
- Money should be spent on highway related initiatives, roads, traffic calming measures and so on
- Invest in visitor facilities / additional services for tourism

³ Meeting of the Corporate Scrutiny Committee convened on 24th January, 2022

- Disagreement with Melin Llynnon investment
- Disagreement with school / educational canopies

A more detailed discussion of comments received is included in **Appendix 1**.

6. KEY SCRUTINY ISSUES

6.1 The 2022/23 budget setting process provides an opportunity for Elected Members to consider and challenge the implications of the final draft capital budget and any risks. Input has also been received via the Finance Scrutiny Panel who have given detailed consideration to the draft budget proposals. At this stage in the process, the Corporate Scrutiny Committee is now requested to agree a formal response to the Executive⁴ on the Council's final capital budget proposals for the 2022/23 capital budget (using the key scrutiny questions in paragraph 4 above).

6 – Equality Impact Assessment [including impacts on the Welsh Language]

6.1 Potential impacts on protected groups under the Equality Act 2010

Identify the need for impact assessments later in the 2022/23 budget setting process.

6.2 Potential impacts on those experiencing socio-economic disadvantage in their lives (strategic decisions)

Identify the need for impact assessments later in the 2022/23 budget setting process.

6.3 Potential impacts on opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language

Identify the need for impact assessments later in the 2022/23 budget setting process.

7 – Financial Implications

This report discusses the process for setting the Council's 2022/23 budget, which includes consideration of the initial capital budget proposals

8 – Appendices:

APPENDIX 1: report of the Director of Function (Resources) on the proposed capital budgets for 2022/23

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

Anwen Davies, Scrutiny Manager, Isle of Anglesey County Council, Council Offices, Llangefni. LL77 7TW

⁴ Meeting of the Executive to be convened on 3rd March, 2022

ISLE OF ANGLESEY COUNTY COUNCIL		
Report to:	EXECUTIVE COMMITTEE	
Date:	24 JANUARY 2022	
Subject:	CAPITAL BUDGET 2022/23 – INITIAL PROPOSAL	
Portfolio Holder(s):	COUNCILLOR R WILLIAMS	
Head of Service / Director:	R MARC JONES	
Report Author:	MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) /	
Tel:	SECTION 151 OFFICER	
E-mail:	01248 752601	
	rmjfi@ynysmon.gov.uk	
Local Members:	n/a	
A –Recommendation/s and reason/s		
1. PURPOSE OF THE REPORT		
1.1 The Executive is required to propose a capital budget for 2022/23, which will be presented to full Council for approval at its meeting on 10 March 2022.		
2. RECOMMENDATIONS		
2.1 To recommend to the full Council the following capital programme for 2022/23:-		
	Ref	£'000
2021/22 Schemes Brought Forward	Para 4.1 & Table 2	1,322
Refurbishment / Replacement of Assets	Para 4.2.	5,042
New One Off Capital Projects	Para 5.2 & Table 3	1,432
New One Off Capital Projects (Funded from Reserves and Unsupported Borrowing)	Para 5.3 & Table 4	783
21 st Century Schools	Para 6	8,598
Housing Revenue Account	Para 7	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

B – What other options did you consider and why did you reject them and/or opt for this option?		
A number of additional schemes are to be considered in the capital programme, with the main driving factor in funding being affordability and the maximisation of external grant funding.		
C – Why is this a decision for the Executive?		
The matter is delegated to the Executive to propose the capital budget.		
CH – Is this decision consistent with policy approved by the full Council?		
Yes		
D – Is this decision within the budget approved by the Council?		
N/A		
Dd – Assessing the potential impact (if relevant):		
1	How does this decision impact on our long term needs as an Island?	The capital budget ensures funding to maintain the Council's assets and forms part of the strategy to meet the objectives set out in the Council's corporate plan.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	Continued maintenance of the Council's assets will prevent larger costs in the future
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom	Capital projects in respect of 21st Century Schools and the HRA are aligned to priorities set out by the Welsh Government
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	The capital budget will be subject to a formal budget consultation prior to final approval by the Council in March 2022
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	The capital budget ensures funding to maintain the Council's assets and forms part of the strategy to meet the objectives set out in the Council's corporate plan.
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	None identified.
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	No impact identified.

E - Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	Comments from the SLT have been incorporated into the report.
2	Finance / Section 151 (mandatory)	n/a – this is the Section 151 Officer's report.
3	Legal / Monitoring Officer (mandatory)	The Monitoring Officer is a Member of the SLT and any comments made have been taken into account in discussions on this report in the SLT.
4	Human Resources (HR)	Any proposals which impact on staff will have been identified and discussed with the HR Team
5	Property	Any proposal which impacts on the Council's property and related budgets will have been discussed with the Property Team.
6	Information Communication Technology (ICT)	Any proposal which impacts on the Council's information technology systems and related budgets will have been discussed with the ICT Team.
7	Scrutiny	TBC
8	Local Members	Proposals are applicable to all Members.
9	Any external bodies / other/s	
F - Appendices:		
Appendix 1 – Report on the Capital Budget 2022/23 Appendix 2 – Proposed Capital Budget 2022/23		
FF - Background papers (please contact the author of the Report for any further information):		
Capital Strategy Report – full Council 9 March 2021 Capital Budget 2021/22 – full Council 9 March 2021		

DRAFT CAPITAL BUDGET 2022/23**1. INTRODUCTION**

- 1.1. The draft Capital Budget for 2022/23, set out below, takes into account the principles set out in the Capital Strategy which was approved by the Executive in March 2021 and the full Council in March 2021.

2. PRINCIPLES OF THE CAPITAL STRATEGY

- 2.1. The Capital Strategy for 2021/22 was approved by the Executive and full Council and will be updated for 2022/23 to reflect the new funding levels, any changes in the Council's priorities and any changes set out in the Council's Treasury Management Strategy for 2022/23, which will be approved by the Executive and full Council in March 2022.

- 2.2. The current Capital Strategy sets out the following principles for the Council in determining its capital programme

- Each year, capital funding will be allocated to ensure an investment in existing assets to protect them into the future;
- The Council will maximise external capital funding wherever possible and affordable;
- Capital funding will also be prioritised on assets required to help the Council deliver its statutory responsibilities;
- The Council remains committed to the 21st Century Schools Programme and will continue to fully utilise 21st Century Schools external funding.

- 2.3. The strategy then went on to provide a little more information on how these principles would be delivered and included the following key points:-

- That the 21st Century Schools programme is considered separately from the remainder of the general capital programme;
- That the replacement of existing and obsolete assets has the benefit of reducing revenue costs and that the capital programme will allocate funding to replace or improve existing I.T. equipment, vehicles and Council buildings;
- It is a statutory requirement to offer disabled facilities grants and that the capital programme will allocate funding annually to comply with this requirement;
- A sum will be allocated annually to fund road improvement works. The sum will depend on the amount required to achieve any minimum contract values, the level of external and internal funding available and an assessment of the state of repair of the Authority's roads;
- Projects that require match funding will be assessed on a case by case basis, with any decision to allocate funding being based on how the project fits into the Council's corporate priorities, any ongoing revenue implications and the ratio of Council funding to external funding;
- Projects funded from unsupported borrowing will only be undertaken if the reduction in revenue costs or increased income generated is sufficient to meet any additional capital financing costs.

- 2.4. The Capital Strategy also sets out how any new bids should be assessed, as follows:-

- How closely the project will contribute to the priorities of the Corporate Plan;
- Whether the project attracts significant external funding;
- Whether the project will lead to revenue savings;
- Whether the project will help mitigate a corporate risk.

3. FUNDING THE CAPITAL PROGRAMME 2022/23

3.1. The funds available to finance the capital programme for 2022/23 are shown in Table 1 below. It should be noted that the figure for the General Capital Grant and Supported Borrowing are based on the provisional Local Government settlement figures. The final figure will not be known until the final settlement figures are announced on 2 March 2022. The level of funding under both headings have remained fairly constant over a number of years and are not anticipated to change significantly between the provisional and final settlement.

Table 1
Anticipated Capital Funding Available for 2022/23

Source of Funding	£'000	£'000
General Fund Capital Programme		
Schemes/Funding brought forward from 2021/22	1,322	
General Capital Grant	1,486	
Supported Borrowing	2,157	
Capital Receipts	600	
Capital Reserve	250	
General Balances	1,681	
Service Reserves	110	
Earmarked Reserves	835	
Unsupported Borrowing	138	
Funding for the General Capital Programme (Council Fund)		8,579
21st Century Schools		
Supported Borrowing	1,168	
Unsupported Borrowing	5,261	
Welsh Government Grant	2,169	
Funding for 21st Century Schools		8,598
Housing Revenue Account (HRA)		
HRA Reserve	3,080	
HRA - In-year Surplus	7,019	
Welsh Government Major Repairs Allowance	2,685	
Unsupported Borrowing	6,000	
Funding for HRA		18,784
Total Capital Funding 2022/23		35,961

3.2. The General Capital Funding received from Welsh Government for 2022/23 totals £3.643m. There has been little increase in the general capital allocation received from Welsh Government for a number of years as additional capital funding has been directed to specific projects e.g. 21st Century Schools. If this level of funding continues in 2023/24 and beyond, the Council's capital programme will either be limited to the refurbishment and replacement of existing assets or the allocations shown above will have to be reduced in order to free up funding to meet other commitments. However, for 2022/23, the general capital grant has reduced by £677k compared to the funding received in 2021/22.

- 3.3. The potential for any significant capital receipts is limited as the majority of any remaining assets which remain unsold have been already earmarked to fund existing or future capital projects (21st Century Schools, leisure improvements and smallholdings).
- 3.4. In previous years, funding has been available from an earmarked reserve which was specifically set up to fund capital projects. Over the past few years, this reserve has been used as a source of funding but the balance has fallen considerably and the remaining balance will be held to fund any emergency capital works which may arise during the year or to provide match funding if the offer of significant grant funding was received during the year which required a small amount of match funding.
- 3.5. The HRA funding is earmarked for HRA projects only and cannot be used for any other projects. The plan allows for the use of £3.080m in 2022/23, leaving £1.5m as the ongoing reserve balance. This is in accordance with the HRA Business Plan which has been previously approved by the Council.

4. DRAFT CAPITAL PROGRAMME (Committed Schemes)

4.1. 2021/22 Schemes Carried Forward

The following schemes will not be completed in 2021/22 and will carry forward to 2022/23.

Table 2
2021/22 Schemes Brought Forward

2021/22 Schemes Brought Forward	2022/23 £'000
Penrhos Phase 2	493
Tourism Gateway	170
Holyhead Landscape Partnership	190
Holyhead Regeneration (THI Phase II)	350
Llangefni Gateway Joint Venture	119
Total Schemes Brought Forward	1,322

4.2. Refurbishing/Replacing Existing Assets

4.2.1 Each year, sums are allocated in the capital programme in order to maintain, upgrade or replace existing assets. The sums allocated have been reviewed by the Finance Team in consultation with the relevant service and the following sums are recommended for 2022/23:-

- **Disabled Facilities Grant (DFGs)** – In previous years, £750k has been allocated and this was supplemented in the last 3 years by the use of Intermediate Care Fund grants. The Director of Social Services has indicated that the use of the Intermediate Care Fund grant to top up the core budget is no longer possible and, as such, a core budget of £750k will be required in 2022/23 to meet the demand for adaptation works.

- **Refurbishment of Schools** – The backlog maintenance in schools is significant and cannot be funded in the short to medium term. Whilst some of this may be mitigated by the 21 Century School Programme, some urgent works on buildings unaffected by this programme are still needed. The Property Services Team has identified the most urgent work to utilise the usual allocation of £1m. However, the sum that can be expended on schools ideally needs to be carried out over holiday periods to avoid health and safety risks and disruption. This means that some longer term projects need to be started now so they can be completed before serious risks arise. Secondary schools in particular are in a very poor condition and need substantial investment. However, some building issues are becoming critical and cannot wait for the 21st Century Schools Programme. Ideally, the authority should be allocating approximately £2.5m annually.
 - **Refurbishment of Non School Buildings** – Again, a backlog of work has been identified in the Council's offices, residential homes, day care facilities, libraries and leisure centres and there is insufficient funding to undertake this work in any one year. £600k has been allocated in previous year and this level of funding will be sufficient to meet the cost of the majority of the priority work required to be undertaken but, in 2022/23, an additional £100k has been allocated, bringing the total budget up to £700k.
- Highways Resurfacing** – The Annual Status and Option Report confirms that an annual budget of £2m is required in order to sustain the Steady State (Preventative) condition of our roads. A budget below this required amount would inevitably result in less efficiency and reduced value for money with additional costs to the Highway Authority with more money being spent on emergency works and also the risk of increased third party claims being made against the Authority. The Executive recognises the importance of the continued investment in the Council's road network, but also recognises that £2m is a significant proportion of the Council's core capital budget and allocating this sum each year will be difficult. The proposal is to fund £2m from the Council's core capital funding, which includes the use of £1.110m from the Council's General Balances.
- **Vehicles** – The Council is committed to becoming a carbon neutral organisation by 2030 and, in order to achieve that commitment, the Council needs to reduce the number of petrol and diesel powered vehicles. £200k is to be allocated from an earmarked reserve which is in place for the purpose of funding projects designed to reduce the Council's carbon footprint. This will allow for the purchase of electric vehicles. An additional £100k is to be allocated to fund the continued cyclical replacement of the Council's fleet of gritters.
 - **I.T. Assets** – Continued investment is required to maintain the Council's core infrastructure and to replace devices used by staff to access systems. £171k has been identified as a sum required to maintain the core infrastructure, with £121k required for desktop devices.

5. OTHER BIDS FOR ADDITIONAL FUNDING

- 5.1. Services were requested to put forward bids for capital funding. These bids were assessed by the Finance Team, and then prioritised by the Senior Leadership Team. Excluding the 21st Century Schools programme and the Housing Revenue Account, the general core funding available, including earmarked reserves and general balances, for 2022/23 totalled £7.257m, of which £5.042m is required for the above, leaving £2.215m to fund any new one off projects.

- 5.2. The Senior Leadership Team has reviewed the bids for funding and the following projects are recommended to be included in the 2022/23 capital programme (see Table 3 below):-

Table 3
Recommended One off Capital Projects to be Funded in 2022/23

Project Title	Description	Sum Recommended £'000
Economic Development and environmental wellbeing projects	Match funding to be used as and when grant funding becomes available.	100
Upgrade of Public Toilets	A programme of works to upgrade a number of public toilets on the Island. The detailed plan will be reported to the Executive in due course. £100k of the cost to be funded from the Highways, Waste and Property service reserve.	480
Flood Relief Schemes	To provide match funding (15%) for small scale schemes and also to provide match funding (15%) for prioritised major schemes in order to draw down Welsh Government (WG) grant funding. WG grant would, therefore, total £1.592m.	281
External Canopies at 3 Secondary Schools	The canopies would increase the area available for children to sit to eat their lunches. This project would be funded from general balances	371
Maritime Infrastructure	The funding would allow work to be undertaken on pontoons at Amlwch harbour and St George's Pier Menai Bridge. This project would be funded from general balances.	200
TOTAL NEW BIDS FOR CAPITAL FUNDING IN 2022/23		1,432

- 5.3. The remaining £0.783m of funding is from earmarked reserves, service reserves and unsupported borrowing. The recommended projects are shown in Table 4 below:-

Table 4
Projects to be Funded from Earmarked Reserves, Service Reserves and
Unsupported Borrowing

Project Title	Description	Sum Recommended £'000
Coastal Infrastructure	The funding will provide improvements to a number of sites and will include improvements to footpaths, provide better access, improve cycle routes and provide EV charging points. The cost to be funded from the reserve to fund projects which reduce the Council's carbon footprint	200
Repairs to Melin Llynnon	Although the management of the mill has transferred to a private individual, a long term lease cannot be entered into until work is undertaken to repair the mill and allow it to become operational. An earmarked reserve is held by the Council to fund the work, but further funding is required from the Education Service reserve and through unsupported borrowing. The additional income generated from the lease will fund the annual capital financing costs of the unsupported borrowing	103
Ongoing Programme to Upgrade Recycling Equipment	New equipment is required at the Council's recycling centre and the cost will be funded from a specific recycling reserve.	380
Fitness Equipment at David Hughes Leisure Centre	The Council commenced a project to upgrade the fitness equipment at its 4 Leisure Centres and this is the final upgrade. As with previous upgrades, the cost will be funded via unsupported borrowing, with the annual capital financing costs being funded from the additional income that is generated. The experience at the 3 other centres shows that this is a viable funding option.	100
TOTAL NEW BIDS FOR CAPITAL FUNDING IN 2022/23 FUNDED FROM RESERVES AND UNSUPPORTED BORROWING		783

6. 21ST CENTURY SCHOOLS

- 6.1.** Due to the significant amount of Welsh Government funding the schemes will attract, and the need to modernise the existing school estate, the Council is committed to funding these schemes through the use of unsupported borrowing and the capital receipts from the sale of old school sites. The 2022/23 Capital Programme allows for the completion of the final Band A project (new Ysgol Corn Hir) and the commencement of Band B projects (extension to Ysgol y Graig).
- 6.2.** The estimated cost of the programme in 2022/23 is £8.598m (net of any capital receipts), which will be funded from £2.169m Welsh Government grant, £1.168m supported borrowing and £5.261m unsupported borrowing.

7. HOUSING REVENUE ACCOUNT

- 7.1. The Housing Revenue Account is a ring fenced account in terms of both revenue and capital expenditure. The proposed programme for 2022/23 will see the continued investment in the existing stock to ensure continued compliance with the WHQS standards, with £9.555m being invested. A further £9.229m will be spent on developing new properties and in re-purchasing former right to buy properties.
- 7.2. The programme will be funded from: the HRA Reserve (£3.080m), the revenue surplus generated in 2022/23 (£7.019m), Welsh Government grants (£2.685m) and new unsupported borrowing (£6.000m).
- 7.3. The long term investment programme, and how it will be funded over the next 30 years will be set out in the Housing Revenue Account business plan which will be presented to the Executive in due course.

8. SUMMARY RECOMMENDED CAPITAL PROGRAMME 2022/23

- 8.1. The recommended capital programme for 2022/23 is summarised in Table 6 below and analysed in further detail in Appendix 2.

Table 6
Summary Recommended Capital Programme 2022/23

	Ref	£'000
2021/22 Schemes Brought Forward	Para 4.1 & Table 2	1,322
Refurbishment / Replacement of Assets	Para 4.2.	5,042
New One Off Capital Projects	Para 5.2 & Table 3	1,432
New One Off Capital Projects (Funded from Reserves and Unsupported Borrowing)	Para 5.3 & Table 4	783
21 st Century Schools	Para 6	8,598
Housing Revenue Account	Para 7	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

PROPOSED CAPITAL BUDGET 2022/23

Scheme	Budget £'000	External Grants £'000	General Capital Grant £'000	Supported Borrowing £'000	Unsupported Borrowing £'000	HRA Reserve £'000	Capital Receipts Reserve £'000	Earmarked Reserves £'000	General Balances £'000
2021/22 Committed schemes b/f									
Penrhos Phase 2	493	493	0	0	0	0	0	0	0
Llangefni Gateway Joint Venture	119	119	0	0	0	0	0	0	0
Tourism Gateway	170	170	0	0	0	0	0	0	0
Holyhead Landscape Partnership	190	190	0	0	0	0	0	0	0
Holyhead Regeneration (THI Ph II)	350	350	0	0	0	0	0	0	0
Total 21/22 Committed Schemes	1,322	1,322	0	0	0	0	0	0	0
Refurbishment / Replacement of Assets									
Disabled Facilities Grant	750	0	750	0	0	0	0	0	0
Refurbishment of Schools	1,000	0	0	1,000	0	0	0	0	0
Refurbishment of Non School Buildings	700	0	450	0	0	0	0	250	0
Highways Resurfacing	2,000	0	14	876	0	0	0	0	1,110
Vehicles	300	0	100	0	0	0	0	200	0
I.T.Assets	292	0	0	0	0	0	292	0	0
Total Refurbishment / Replacement of Assets	5,042	0	1,314	1,876	0	0	292	450	1,110
New One Off Capital Projects									
Flood Relief Schemes	281	0	0	281	0	0	0	0	0
Economic Dev – Match Funding	100	0	100	0	0	0	0	0	0
Upgrade of Public Toilets	480	0	72	0	0	0	308	100	0
External Canopies (3 Secondary Schools)	371	0	0	0	0	0	0	0	371
Maritime Infrastructure	200	0	0	0	0	0	0	0	200
Total New One Off Capital Projects	1,432	0	172	281	0	0	308	100	571

Scheme	Budget £'000	External Grants £'000	General Capital Grant £'000	Supported Borrowing £'000	Unsupported Borrowing £'000	HRA Reserve £'000	Capital Receipts Reserve £'000	Earmarked Reserves £'000	General Balances £'000
Other One Off Capital Projects (Funded from Earmarked Reserves, Service Reserves & Unsupported Borrowing)									
Coastal Infrastructure	200	0	0	0	0	0	0	200	0
Repairs to Melin Llynnon	103	0	0	0	38	0	0	65	0
Upgrade Waste Recycling Equipment	380	0	0	0	0	0	0	380	0
Fitness Equipment – David Hughes LC	100	0	0	0	100	0	0	0	0
Total Other Capital Projects	783	0	0	0	138	0	0	645	0
21st Century Schools									
Band A	3,768	0	0	0	3,768	0	0	0	0
Band B	4,830	2,169	0	1,168	1,493	0	0	0	0
Total 21st Century Schools	8,598	2,169	0	1,168	5,261	0	0	0	0
TOTAL GENERAL FUND	17,177	3,491	1,486	3,325	5,399	0	600	1,195	1,681
Housing Revenue Account									
WHQS Planned Maintenance Programme	9,555	2,685	0	0	0	6,870	0	0	0
New Developments & Re-Purchase of Right to Buy Properties	9,229	0	0	0	6,000	3,229	0	0	0
TOTAL HOUSING REVENUE ACCOUNT	18,784	2,685	0	0	6,000	10,099	0	0	0
TOTAL CAPITAL PROGRAMME 2022/23	35,961	6,176	1,486	3,325	11,399	10,099	600	1,195	1,681

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ISLE OF ANGLESEY COUNTY COUNCIL <u>Scrutiny Report Template</u>	
Committee:	Corporate Scrutiny Committee
Date:	28 February 2022
Subject:	Net Zero Plan
Purpose of the Report:	Putting in place arrangements to establish and adopt the Isle of Anglesey County Council Towards Net Zero Carbon Plan 2022-25
Chair of Scrutiny:	Councillor Aled Morris Jones
Portfolio Holder(s):	Councillor Dafydd Rhys Thomas (Climate Change Champion)
Head of Service:	Dylan Williams, Deputy Chief Executive
Report Author:	Rhys Alun Williams – Climate Change Manager
Tel No:	
E-mail:	Rhyswilliams3@ynysmon.gov.uk
Local Members:	Relevant to all Local Members

1 – Recommendation(s)

The Corporate Scrutiny Committee is requested to recommend the Towards Net Zero Plan to the Executive for approval and adoption by the full Council on 10 March 2022.

2 – Link to the Council Plan / Other Council Priorities

The net zero plan is linked to objective 3 in the Council Plan 2017-22:

- *Work in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment.*

The net zero plan also aligns with objective A and C in the Council's Transitional Plan 2022-23:

- *Objective A – Re-energising the local economy and embedding positive economic change*
- *Objective C – Maintaining and modernising critical community services such as Care and Education across the island*

3 – Guiding Principles for Scrutiny

To assist Members when scrutinising the topic:-

- 3.1** Impact the matter has on individuals and communities [focus on customer/citizen]
- 3.2** Look at the efficiency & effectiveness of any proposed change – both financially and in terms of quality [focus on value]
- 3.3** Look at any risks [focus on risk]
- 3.4** Scrutiny taking a performance monitoring or quality assurance role [focus on performance & quality]

3.5 Looking at plans and proposals from a perspective of:

- Long term
- Prevention
- Integration
- Collaboration
- Involvement

[focus on wellbeing]

3.6 Potential impact of this decision on:

- protected groups under the Equality Act 2010
- those experiencing socio-economic disadvantage in their lives (when making strategic decisions)
- opportunities for people to use the Welsh language and not treating the Welsh language less favourably than the English language

[focus on equality and the Welsh language]

4 – Key Scrutiny Questions

- To what extent does the net zero plan set a clear and robust strategic direction for the County Council to deliver its commitment by 2030?
- What challenges and risks does the Council face as it works to become a zero net organisation?
- Are there any obvious omissions in the plan or areas that require further attention?

5 – Background / Context

1. Background

- 1.1. The Isle of Anglesey County Council announced a climate emergency in September 2020 and committed the Council to becoming a Carbon Neutral organisation by 2030.
- 1.2. In addition, a report was presented to the Executive on March 22nd, 2021. The report highlighted the need to respond to climate change whilst co-ordinating and programming its efforts as an organisation to achieve our aim in 2030.
- 1.3. The Executive approved the recommendation to develop a corporate Climate Change Programme, recruit a Climate Change Manager and appoint a member of the Executive as a 'Climate Change Champion'.
- 1.4. The public sector in Wales has a target of achieving net zero carbon by 2030 i.e. to ensure that all greenhouse gas emissions are minimised as far as possible. The remaining emissions will be offset by actions to remove carbon from the atmosphere.
- 1.5. The Council is committed to providing local leadership on the Island and to act on a corporate level to deliver tangible changes in order to transition effectively into a net zero organisation. Although some decisions and actions are within the authority's control, others will require support from Welsh Government and the UK Government as well as additional resources to co-ordinate, develop and deliver them.

- 1.6. To achieve the objective, it is essential to have a clear plan, corporate approach, comprehensive baseline, robust monitoring arrangements and defined responsibilities to maximise and strengthen current work to transition to net zero carbon by 2030.

2. Success to date

- 2.1. As noted in the Towards Net Zero Plan (appendix A), the Council has recently succeeded in delivering a number of elements and making positive changes:
- The Energy Efficiency Strategy 2017-22 has achieved an 18% reduction in the Council's energy use
 - The ReFit Scheme has seen the Council's largest investment (£2.4M) to reduce energy use by installing solar panels, LED lighting and upgrading heating systems in our assets
 - The Council has started to convert its fleet to electrical vehicles
 - Converting and adapting street lighting to use LED lamps and reducing energy use across the Island's road network
 - A member of the Executive has been appointed Climate Change Champion
 - Climate Change Manager appointed

3. Towards Net Zero Plan

- 3.1. The proposed Plan represents the first step on the Council's journey to transition into a net zero carbon organisation. As well as building on recent successes and co-ordinating schemes already in place, the Plan will implement new projects that will lead to a reduction in our carbon emissions.
- 3.2. The Plan's projects and interventions have been divided into 5 main programmes of action.
- Reducing Energy Consumption and Energy Efficiency – Reducing energy consumption and improving energy efficiency across our portfolio of assets
 - Transport – Reducing the Council's emissions by developing low carbon transport options across Anglesey
 - Land Use and Biodiversity – Reducing carbon emissions through positive carbon projects
 - Organisational Adaptations – Reducing the Council's carbon emissions by adapting and changing the way it works
 - Governance, Data, Monitoring and Reporting – Ensure that governance, management and data collection and accountability arrangements are in place to support the scheme's success.
- 3.3. To deliver the plan, an annual delivery plan, targets and a monitoring and reporting framework will be adopted. The next step will be to establish a full and detailed baseline, with data management systems.
- 3.4. The requirements in terms of finance and personnel to deliver the changes will be considerable over the period ahead. The Council will have to take advantage of any funding opportunities (grants and loans) available to progress schemes and programmes in future years.

6 – Equality Impact Assessment [including impacts on the Welsh Language]
6.1 Potential impacts on protected groups under the Equality Act 2010
Where appropriate, a detailed impact assessment on protected groups will be undertaken as an integral part of preparations to implement the Plan's programmes.
6.2 Potential impacts on those experiencing socio-economic disadvantage in their lives (strategic decisions)
Where appropriate, a detailed impact assessment will be undertaken as an integral part of preparations to implement the Plan's programmes.
6.3 Potential impacts on opportunities for people to use the Welsh language and treating the Welsh language no less favourable than the English language
Where appropriate, a detailed impact assessment will be undertaken as an integral part of preparations to implement the Plan's programmes.
7 – Financial Implications
Detailed consideration will be given to any financial implications when planning, preparing individual projects and plans within the Programme areas of the plan.
8 – Appendices:
Appendix A – Draft Towards Net Zero Plan 2022-25
9 – Background papers (please contact the author of the report for any further information):

Isle of Anglesey County Council Towards Net Zero Plan 2022 – 2025

Foreword

Climate change affects us all and the actions we take now will define the lives of future generations.

In September 2020, the Isle of Anglesey County Council declared a climate emergency, and committed to becoming a net zero carbon organisation over the next decade.

Achieving net zero carbon status by 2030 will certainly be a challenge. However, we can achieve this target by working effectively with residents, staff, elected members and visitors to our Island.

We are already working pro-actively to meet our climate change commitment. Positive steps taken to date have included:

- Changing the way Council buildings are used and reduce carbon emissions across the whole organisation
- Upgrading our fleet to include more electric vehicles
- Ensuring that Council housing stock is as energy efficient as possible
- Taking carbon positive steps to plant trees and protect bio-diversity

This ambitious plan outlines the County Council's aims, programme areas and the actions required to become a net zero carbon organisation by 2030.

We will continue to work in partnership with Welsh Government and other partners across local communities to deliver this plan.



Councillor Llinos Medi
Leader of the Council



Councillor Dafydd Rhys Thomas
Corporate Business Portfolio Holder
& Climate Change Champion

Why do we need the Net Zero Plan?

Climate change is the globally defining challenge of our time and for future generations. This includes Anglesey, its residents, visitors and communities.

Climate change affects us all – It goes beyond political differences and social boundaries. Its affects can already be seen amongst the most vulnerable members in communities across Wales and the world.

Carbon emissions released into the atmosphere have already led to an increase in global temperatures. Without a reduction in carbon emissions the Earth's temperature will continue to increase significantly. This will result in changes to weather climates across the world – including here on Anglesey (e.g. flooding and catastrophic storms).

To respond to the Climate Change challenge, the Isle of Anglesey County Council ('the Council') unanimously declared a climate emergency on the 8th of September 2020.

This saw the authority commit to become carbon neutral by 2030. As a result, tough decisions, choices, and compromises will need to be made to ensure this is achieved.

This Net Zero Plan 2022 – 2025 will outline what immediate actions the Council will take as it continues the transition towards Net Zero.

This will require the Council to undergo significant modernisation and transformational change for example;

- how we work
- how we decide which goods and services we buy
- how we use our land, buildings, assets and technology
- how we use our transport,
- how services are delivered to our residents.

The Net Zero Plan will be one of the Council's primary strategic plans which will align with the Council Plan and other Council strategies, plans and documents.

Aim and Objectives

The aim of the Net Zero Plan is to:

“Modernise and adapt to become a Net Zero Council by 2030”

This aim will be achieved by delivering the following objectives:

1. **Reduce and decarbonise the energy use of the Council’s buildings and assets**
2. **Continue to deliver Council services while reducing carbon emissions from our vehicles and working practices**
3. **Enhance biodiversity and tree cover on the Council’s land and assets**
4. **Facilitate the development of new low carbon energy generation**
5. **Adapt the policies, processes, culture, values and behaviours (of Council staff and elected members)**
6. **Understand the Council’s total carbon footprint, establish effective, efficient monitoring and reporting arrangements**

This Plan focuses on reducing the Council’s emissions. The Council also recognises it’s important local leadership role, collaborating with other organisations, businesses, the community and residents across the Island. As national, regional and local policies and laws are updated to respond to the climate emergency, the Council will consider and further adapt its approach. This can be by making necessary changes to the land use planning process, transport provision, education and care provision, recycling collections or other service areas.

Context

The Welsh Government is committed to make Wales carbon neutral by 2050 and the public sector (including local authorities) by 2030.

Together the;

- UK Climate Change Act (2008)
- Wellbeing of Future Generations (Wales) Act 2015
- Planning (Wales) Act 2015
- Environment Act (Wales) 2016

Will provide the legal framework for action on climate change and sustainable management of Wales’ natural resources, with each underpinned by strategies and frameworks.

In July 2021, the Welsh Government published ‘Net zero carbon status by 2030 - a route map to decarbonise the Welsh public sector’.

Its vision identifies that ‘by 2030, choosing zero carbon will be routine, culturally embedded and self-regulating across the Welsh Public Sector’. This will influence and inform the Council’s approach, prioritisation, and transition journey.

In addition, the Net Zero Wales Carbon Budget 2 (2021-2025) identified a number of key local authority commitments for buildings, procurement, land use, mobility and transport. These include :

- ✓ All Council’s have live decarbonisation action plans in place, which will be reviewed regularly with lessons and best practice shared through the WLGA support programme, the first review by end of 2021.
- ✓ From 2021 onwards emissions will be monitored annually, using baseline data.
- ✓ Annual reviews will report progress and drive improvements

One of the Council’s main priorities (recognised in the Council Plan 2017-2022) is to “*Work in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment*”.

This has been progressed by “*becoming more energy efficient and decrease our carbon emissions by concentrating on Leisure Centres, Schools and street lighting*”.

Despite the significant progress made to date, the Council is committed to adopting an ambitious corporate approach during the 2022-2027 Council period, which will be influenced and informed by the carbon footprint baseline.

A new Council Plan will be adopted in autumn 2022 (post the local government elections in May 2022).



As the 2017-22 Plan draws to a close, a Transitional Plan 2022-2023 has been adopted. This will provide the Council with immediate direction as we recover from the Covid-19 pandemic.

Figure 1 outlines the Council’s strategic and financial planning framework. This Plan sits in the ‘Strategic Plans’ section which influences and informs all other decisions and activities.

Figure 1 - The Strategic and Financial Planning Framework

The Transition Journey

Taking the lead from the Welsh Government roadmap 'Journey to net zero' - carbon neutral status will be achieved by delivering 3 plans as outlined below in Figure 2.

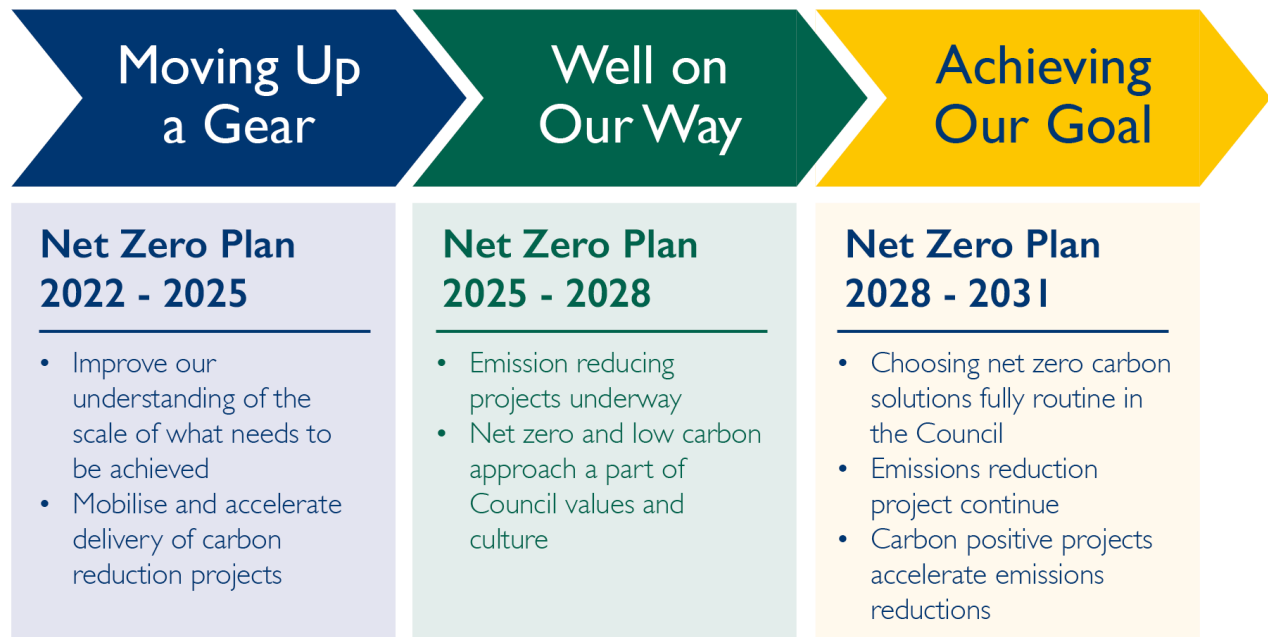


Figure 2 - Our net zero journey

By 2030, the Council will have achieved its aim of reaching net zero carbon status. This will mean all the green house gasses emitted will have been reduced to the lowest possible level, leaving only residual 'unavoidable' emissions. Any residual emissions released will be cancelled out by the carbon removed from the environment

In practical terms, the Council will need to:

- ✓ Make achieving Net Zero a routine part of day-to-day work within its workforce and elected members
- ✓ Continue to improve and modernise Services whilst delivering low/no carbon emissions
- ✓ Embed climate thinking into the Council's decisions and everyday activity
- ✓ Minimise the carbon impact of the goods and services procured by the Council
- ✓ Ensure new houses and buildings built by the Council will (as a minimum) reach a carbon neutral standard
- ✓ Reduce the size of the existing asset portfolio, modernising to improve performance and reduce its carbon impact
- ✓ Upgrade the vehicle fleet and create a network of electric vehicle charging points
- ✓ Utilise hybrid working (working from home and the office) and new technologies to reduce overall travel
- ✓ Ensure offices and work locations are as energy efficient as possible and are powered by on site generation or supplied with green and sustainable energy sources.

- ✓ Continue to invest in the energy efficiency of Council houses and tenanted properties
- ✓ Offset unavoidable emissions through a range of carbon capture measures
- ✓ Utilise unused land to maximise biodiversity, increase tree cover, and capture carbon with the view to become carbon positive.
- ✓ Endeavour to ensure that wider strategic energy investments will generate local employment, as well as economic and community benefits

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Carbon Reduction Achievements to date

The Plan will build on the success of existing Strategies and projects which have already contributed towards reducing the Council's carbon footprint - for example:

Energy Efficiency Strategy 2017 – 2022

- The Strategy aimed to reduce the Council's energy consumption 15% by 2022.
- It succeeded in reducing the Council's energy consumption by 18%. This was achieved through a combination of energy efficiency measures installed, improved building construction, effects of the Covid-19 pandemic and overall assets reduction.

Re: Fit Scheme

- This was the largest investment made by the Council to reduce energy consumption and carbon emissions.
- Invested over £2.4m on projects such as; installing new solar panels, LED lighting and upgrading/replacing heating and ventilations in our leisure centres.
- The scheme is expected to reduce energy consumption by 3,875,107kWh and carbon emissions by 958.18tCO₂e. (Note: This reduction is expected to be achieved by the end of 2022).

Other:

- New Schools and Social Housing with better energy performance
- Road lighting across Anglesey has been modified to use energy efficient LED lighting. Having achieved almost complete conversion to LEDs, the carbon emissions across the road lighting network on Anglesey have reduced by 81% from 2014/15 to 2020/21.
- The transition of Council vehicles to electric vehicles.

Delivery of these projects have led to an overall reduction in the Council's emissions of 2,180 tCO₂e between 2017 and 2021

Measuring our Carbon Emissions

Understanding the Council's carbon footprint is critical. A comprehensive baseline will ensure our journey to be net-zero is driven by evidence and informs how we prioritise our actions.

Once there is an established baseline, an effective corporate monitoring framework, dashboard and full understanding of where our emissions come from, targets can then be set with an agreed plan to deliver on carbon reductions.

The Councils emissions baseline will be calculated according to the World Resources Institute (WRI) Green House Gas Protocol (GHG) which categorises emissions sources into 3 scopes.

Scope 1 – Direct GHG emissions from the consumption of fuel within the Council operations e.g. our buildings and operated fleet

Scope 2 – Indirect GHS from consuming purchased heat, electricity or steam

Scope 3 – Indirect emissions such as the goods and services we buy, transportation, investments, leased assets and other.

Figure 3 below from WRI outlining the GHG scopes and what may be included.

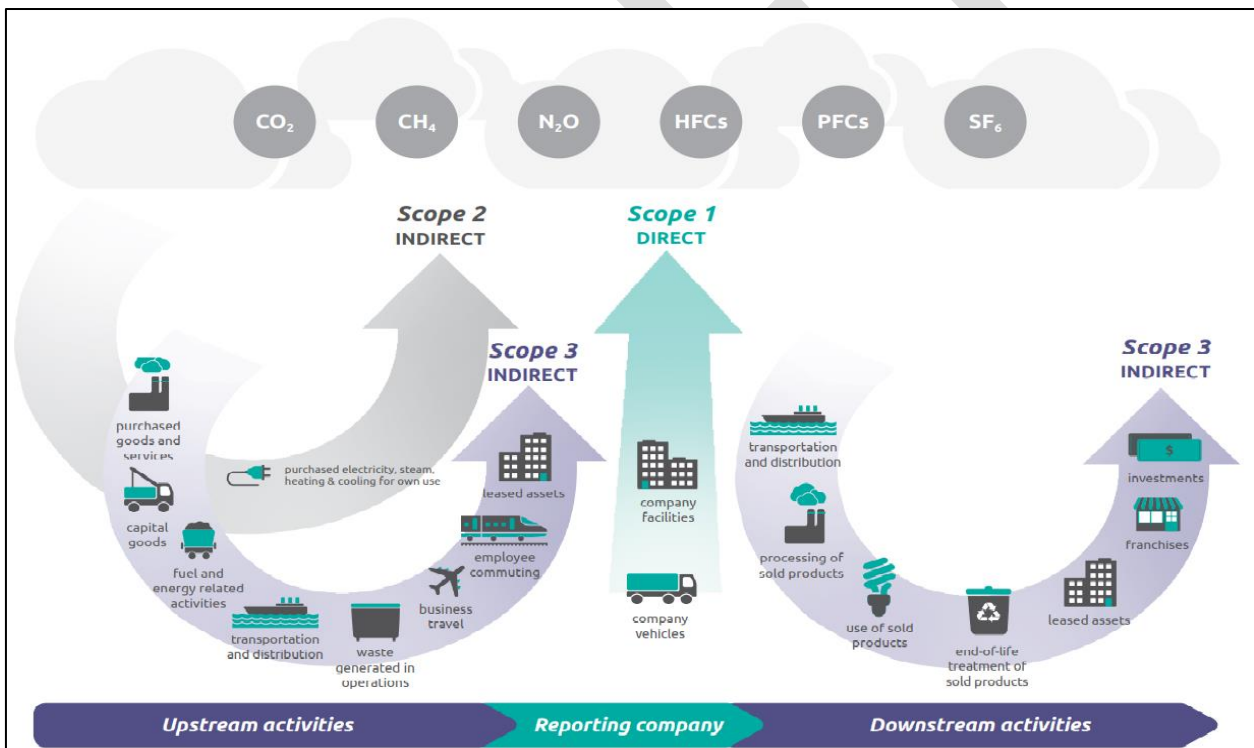


Figure 3 - World Resource Institute - Green House Gases Baseline Breakdown

The data management programme area will lead on work to develop improved analysis and data collection across the Authority. It will assist decision making within services and show the impact that reducing carbon emissions has on the County Council's baseline.

Welsh Government have begun to collect baseline data from all Council's in Wales. Progress will be monitored over time to ensure the Council remains on track to achieve the net zero target by 2030.

The Council already collects data that provides energy usage across its assets portfolio. This allows the Council to monitor usage and where necessary, measure the effectiveness of energy reduction projects. Data from building, energy and fleet usage data shall be used to calculate the emissions for Scope 1 and 2 of the Council's baseline.

Scope 3 emissions come from a range of sources outlined in Figure 3 e.g. social housing stock condition data, employee commuting, business travel, goods and services procured. Where necessary the Council shall use Welsh Government 'Net Zero Carbon Reporting Guide' to use a spend based approach to estimate supply chain emissions.

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Energy Island Programme

In addition to the Council's net zero commitment as an organisation, the Energy Island Programme (EIP) will also make a considerable impact locally and beyond. The EIP is a collaborative approach to put Anglesey at the forefront of low carbon energy research, development and generation.

The vision is to:

"be an exemplar in the transition to a prosperous and resilient low carbon economy, providing high quality jobs, education and supply chain opportunities, whilst protecting and enhancing the natural environment and enabling the Welsh Language and culture to thrive in vibrant communities."

The Council aims to ensure maximum benefit is delivered from all proposed energy generation projects across the Island to:

- 1: 'Encourage growth in new technology, research and development, and innovation'**
- 2: 'Create local jobs, building skills, thriving businesses'**
- 3: 'Support resilient and cohesive communities'**
- 4: 'Ensure responsible, pioneering, and timely climate action'**
- 5: 'Ensure a balanced environment'**

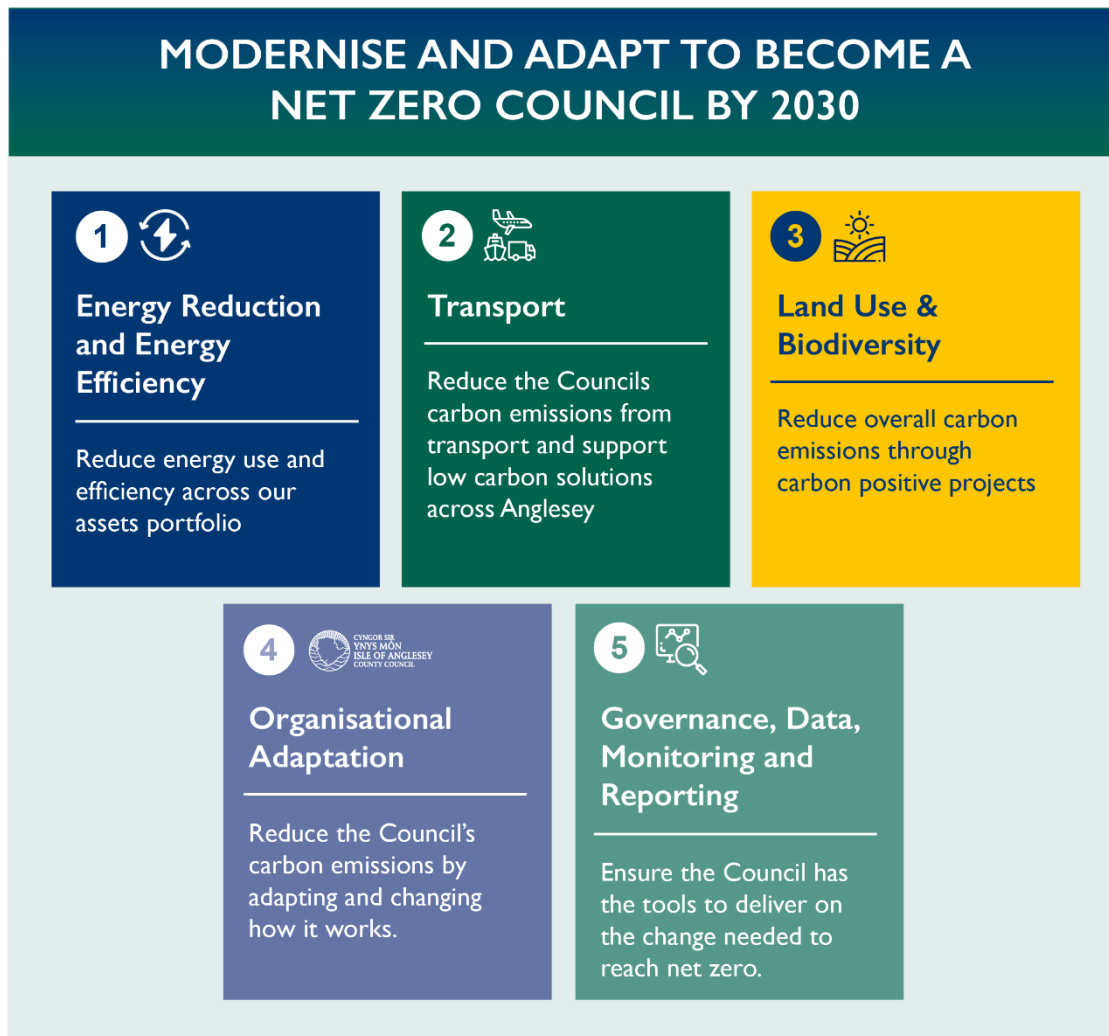
By supporting the low carbon energy transition across the Island, to maximise local jobs, benefits and supply chain opportunities, the Programme shall

- ❖ Influence the scale and location of potential energy developments.
- ❖ Enable the Council to undertake its statutory consenting responsibilities effectively.
- ❖ Demonstrate that Anglesey is at the forefront of low carbon development.
- ❖ Facilitate knowledge sharing between business, academics and other key partners.
- ❖ Projects to pioneer new energy technologies to address the energy 'trilemma'.
- ❖ Ensure the development, construction and operation of energy projects contribute to the well-being of the Island and its communities.

The delivery of the Energy Island Programme may not directly have an impact on the Council's carbon emissions, but its outcomes should support the Council's efforts in transitioning to a net zero organisation.

Programme Areas

This Net Zero Plan will be divided into specific programme areas to deliver on projects and interventions:



Becoming a Net Zero Council by 2030 will be dependent on:

- decisive leadership
- prioritisation
- tough decision making
- capability and resources (e.g. finance, officer time and organisational capacity)

By using established programme and project management practices we will ensure that the actions identified within this plan are delivered.

There are already considerable external funding (grants and loans) opportunities to implement and deliver actions which responds to climate change and enables decarbonisation.

The Council must be ambitious, resourceful, and proactive at both corporate and service level to take full advantage of the opportunities available to secure additional resources.

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Energy Reduction and Energy Efficiency

Why is this important

The County Council has a broad and diverse portfolio of buildings and assets which include; from

- offices
- depots
- schools
- leisure centres
- business units
- social housing across the Island.

The portfolio ranges from new and energy efficient buildings to old and inefficient ones with considerable carbon emissions associated with their operation, particularly through heating.

Energy is one of the Council's largest controllable emissions with numerous opportunities to make savings. Reducing energy consumption and improving efficiency of its use can decrease carbon emissions (scope 1 & 2) resulting in financial savings and sustainable delivery of services.

This programme area will deliver further improvements to the energy performance (reduction and efficiency) of the Council's buildings and assets to ensure energy usage is reduced and decarbonised.

The Council face a challenge of addressing the energy efficiency of its social housing stock counted as Scope 3 – leased assets emissions.

As the landlord, the Council does not have control over how energy and heating is used by tenants. However, we do have obligation to ensure our housing are as energy efficient as possible.

Retrofitting our social housing stock to improve energy efficiency will lead to a reduction in carbon emissions as well as improved financial, health and wellbeing outcomes for our tenants.

In addition to addressing the energy efficiency of current assets, all new developments will be built to at least carbon neutral standards.

What we are going to do

- ❖ Ensure the climate impact of the Council's asset portfolio is fully understood
- ❖ Develop plans to decarbonise the built estate to become carbon neutral.
- ❖ Ensure (as a minimum) that all new buildings built by the Council reach carbon neutral standards
- ❖ Develop a comprehensive baseline position for the Council's housing stock, ensuring comprehensive detail of emissions to inform future decision making
- ❖ Deliver retrofitting schemes to improve the energy efficiency and decarbonise the housing stock.

What will be the impact on our carbon emissions?

By reducing energy consumption and improving energy efficiency across our asset portfolio carbon emissions will be further reduced.

Linking with the established baseline, actions identified within this programme area will impact on the Council's overall emissions quantified and included within the monitoring framework that supports the Net Zero Plan.

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Transport

Why is this important

The Council has 190 fleet vehicles, ranging from small cars to large vans and minibuses - Most of which run on fossil fuels such as diesel and LPG (with the exception of 13 electrical vehicles).

The Welsh Government has stated, where practically possible, that all new cars and light goods vehicles in the public sector need to be carbon neutral from 2025 and all heavy goods vehicles from 2030.

Emissions from vehicles are classified as scope 1, thus making it a priority to significantly reduce overall emissions. This will be achieved by investing to further transition the fleet from fossil fuel to ultra-low carbon vehicles (e.g. hydrogen or electric).

As electric vehicles become more frequently used by the Council and the general public, investment in the charging infrastructure will be key to ensure that the use of these vehicles are sustainable..

Carbon emissions from transport also comes from staff commuting and community transport (counted within scope 3) can be challenging to reduce. Responding to the Covid-19 pandemic has shown that alternative working arrangements such as working from home or hybrid working can be utilised to help reduce carbon emissions.

Development of active travel solutions and investment to promote them within our town centres and communities will be key in developing sustainable travel across Anglesey.

As an adopter of new technologies to reduce its carbon emissions, the Council also has a role as a leader within the community to show how its services can change to deliver low/no carbon.

What are we going to do

- ❖ Reduce the overall need to travel by embracing a virtual and hybrid working model (where possible)
- ❖ Support the development of alternative and innovative ways of working and travel (e.g. develop and improve accessibility of public transport and community EV solutions.
- ❖ Promote greater use of active travel across the Islands communities to reduce emissions from commuting and travelling
- ❖ Invest in town centres to facilitate all modes of sustainable travel to remove emissions from commuting and travelling.
- ❖ Carry out plans to further transition our fleet from fossil fuel to low / no carbon alternatives
- ❖ Support transition to electric vehicles by developing new car charging infrastructure across Anglesey

What will be the impact on our carbon emissions?

Reducing overall travel and the emissions from Council vehicles will lead to a reduction in our scope 1 emissions (this will be a one of the Council's main priorities to deliver).

Linking with the established baseline, actions identified within this programme area will impact on Council's overall emissions included within the monitoring framework that supports the Net Zero Plan.

Land Use & Biodiversity

Why is this important

The Council holds a varied portfolio of land including:

- agricultural holdings
- refuse tips
- grazing land
- small areas of land (around offices, buildings, and schools).

How the land is used will determine whether it contributes to decarbonisation or increases our emissions.

Developing our land use, management plan and policies for increasing carbon capture will be key to support the goal of reaching carbon neutral status.

The Plan will seek to support the Council's Biodiversity Plan to ensure all possible actions are taken to enhance biodiversity and the natural environment across Anglesey. It will also mitigate the effects of climate change over the long term.

Additionally, the Plan will seek to extend tree coverage across Anglesey to enhance the carbon sink potential. It will be important to ensure sustainable delivery of tree planting and woodlands schemes to ensure they're suitable for the local habitat.

This programme area will remove emissions from the atmosphere by locking up carbon through carbon capture methods.

Furthermore, the Council will support communities across the Island to respond to the climate emergency (e.g via the place shaping agenda and green infrastructure).

Where necessary, the Council will work to deliver targeted projects to mitigate the effects of climate change by improving flood defence measures across Anglesey

What are we going to do

- ❖ Enhance variety of biodiversity on Council land
- ❖ Develop and deliver a plan to enhance and increase tree cover on Council land
- ❖ Adopt and implement a new Area of Outstanding Natural Beauty management plan which is aligned within the Council's net zero aim and objectives
- ❖ Adopt and implement a new Destination Management Plan that aligns the behaviours and infrastructure outlined in the Council's net zero aim and objectives
- ❖ Support the development of new green public infrastructure in town centres and popular coastal locations
- ❖ Encourage our communities to respond to the climate emergency through the Place Shaping agenda.
- ❖ Develop and implement projects to improve flood defence measures

What will be the impact on our carbon emissions

The delivery of the land use and biodiversity programme will lead to a reduction in our overall carbon emissions through carbon positive projects (e.g. enhancing biodiversity and increasing tree cover).

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Organisation Adaptation

Why is this important

Working to reduce the Council's carbon emissions from its buildings and fleet alone will not be enough to achieve carbon neutral status.

The Council will need to adapt and change how it works to achieve the maximum reduction in our carbon emissions. This must be achieved without negatively affecting its activities or services.

The Council must see modernisation and change as an opportunity while working collaboratively across the Council, local communities, regional partners, Welsh Local Government Association and Welsh Government.

Organisation Adaptation will focus on changing the culture, values and working practices. It will be a long term process that will require leadership, commitment and effort.

Some changes may be delivered quickly, for example;

- embedding low carbon priorities within the procurement process
- engaging with suppliers and partners to begin their transition to net zero.

Responding and adapting rapidly to the Covid-19 pandemic has shown that change is possible. The Net Zero Plan will seek to use the lessons learned from that response to assist in facilitating the change needed within the organisation.

What are we going to do

- ❖ Deliver a communications plan to influence and raise awareness within the Council of why and how small changes lead to big impacts.
- ❖ Undertake a carbon literacy and associated training programme.
- ❖ Engage with schools to facilitate climate change education, awareness and encourage action where possible
- ❖ Enabling virtual and hybrid working to be effectively embedded into the organisational culture.
- ❖ Promote, celebrate, and recognise progress, achievements, and good practice.
- ❖ Collaborate and learn from partners and stakeholders.
- ❖ Review and update formal internal policies, processes and practices to ensure changes and decisions at all levels consider the impact it has on the Council's aim to be net zero.
- ❖ Review and update procurement policies and processes (including monitoring and reporting arrangements).

What will be the impact on our carbon emissions?

Organisational adaptation will contribute both directly and indirectly towards reducing overall carbon emissions. Some actions will have an indirect impact on emissions by facilitating or encouraging action on climate change (e.g. communications, raising awareness, policy and integrating Net Zero into day to day activities).

Other actions can have a positive effect in reducing both direct and our supply chain emissions – for example;

- carbon literacy training
- development of hybrid working
- developing an understanding on how we procure goods and services can have a positive effect

The impact of the actions within this programme area will be measured against the Council's overall emissions and included within the monitoring framework supporting the Net Zero Plan.

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Governance, Data, Monitoring and Reporting

Why is this important

Successful delivery of the Net Zero Plan will require the combined effort of officers across all the Council and its elected members.

Effective programme and project management arrangements will be essential to facilitate the delivery of the Net Zero Plan. They will ensure the interventions identified within each programme area are delivered within the agreed milestones and resources available.

Reaching the overall aim of becoming a net zero council by 2030 will also depend on:

- effective and efficient data management
- data monitoring and reporting (to demonstrate progress and identify areas for further development)

Ensuring we have a robust and effective data management system in place will enable the Council to identify which emissions need to be prioritised and where resources need to be deployed to have the greatest impact.

Developing data management systems will improve the accuracy and resolution of the Council's carbon emissions baseline and will assist to monitor emission reductions delivered by this plan.

Welsh Government have begun to request baseline data from all Council's in Wales with the view building an annual baseline of the public sector. Current data collected for Welsh Government includes emissions for 2019/20 and 2020/21.

Scope 1 and 2 emissions will be counted as operational and land use data with scope 3 from Supply chain emissions. Therefore it's critical that progress is made.

Additionally, robust arrangements will be required to report on progress made in programme areas, to ensure risks are managed and opportunities for added value are identified and utilised.

Each programme area will be led by a senior responsible owner; the projects and interventions in each work stream will contribute towards our overall aim of becoming a net zero Council.

A Programme Board will be established to provide strategic support and oversight of the Net Zero plan as detailed below.

What are we going to do

- ❖ Ensure the plan is embedded into existing corporate and service delivery, management, performance and reporting arrangements
- ❖ Establish a Programme Board
- ❖ Integrate actions into respective Service Delivery Plans
- ❖ Ensure officers and elected members have access to real time data on progress and change.
- ❖ Create a robust and comprehensive carbon baseline that is updated quarterly.
- ❖ Develop data management systems to enable monitoring and reporting.
- ❖ Establish annual targets with automated reporting systems and data dashboards.

- ❖ Develop a comprehensive baseline of carbon emissions for leased assets (e.g. social housing and small holding stock).
- ❖ Ensure every Council Service is aware of their carbon emission position and consider how to improve as part of regular management processes.

What will be the impact on our carbon emissions?

Improving Data Management will not have direct effect on the carbon emissions baseline. However, it will lead to improving our understanding of the Council's overall emissions to enable effective prioritisation and decision making, whilst enabling regular reporting and monitoring of progress.

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Financial Aspect of Climate Change

Implementing the climate change strategy will impact both on the Council's revenue budget and capital budget.

Currently the revenue budget includes provision to meet the cost of employing the Climate Change Manager and includes a sum of £50k to cover other revenue costs in respect of implementing the strategy. It is unlikely that, as the strategy is implemented £50k will be sufficient and further revenue resources will be required.

However, the main expenditure will be capital projects. Currently the capital funding received from Welsh Government through the Local Government settlement provides £3.6m in 2022/23, which is not sufficient to meet the investment required to maintain the Council's existing assets, let alone invest in implementing the climate change strategy. There is some scope to undertake external borrowing to fund projects but this has to be done in accordance of the requirements of the Prudential Code for Capital Finance in Local Authorities, which requires the Council to ensure that funding borrowing is affordable and does not place an unreasonable funding strain in future years. Projects that can generate revenue cost savings or allow the Council to avoid future costs could be funded from external borrowing.

In the 2022/23 capital budget, £200k has been included to undertake "green" projects in coastal areas, which is funded from an earmarked reserve. After this investment the balance of the earmarked reserve only amounts to £300k.

In order to implement capital projects on the scale required, grant funding from the UK and Welsh Governments will be required and it remains to be seen whether these will be 100% grants or will require an element of match funding from the Council. Whatever the level of funding will be, the Council will need to be ready with costed and viable projects to take advantage of grant opportunities that arise. It is likely that some or all of the grant funding will be on a competitive basis, with both Governments seeking to fund projects that give the maximum return towards achieving their climate change objectives. Being in a position to have viable projects will require additional revenue funding to create the required capacity.

Decarbonising the Council's Housing stock will also play an important role in achieving the objectives of the climate change strategy. Retro-fitting 3,800 houses to reduce their carbon footprint is estimated to cost £60M. The Council's HRA Business Plan will be updated to take account of this additional investment requirement and will be funded from the HRAs own resources and from external borrowing. Investment in new properties will take account of the requirements of this strategy when developments are designed, but again this will come with an additional cost which has to be funded by the HRA.

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ISLE OF ANGLESEY COUNTY COUNCIL <u>Scrutiny Report Template</u>	
Committee:	Corporate Scrutiny Committee
Date:	28/2/2022
Subject:	Isle of Anglesey Electric Vehicle Charging Plan
Purpose of Report:	Sets out the Councils long term plan to develop and fund EV charging infrastructure across the island.
Scrutiny Chair:	Aled Morris Jones
Portfolio Holder(s):	Cllr Bob Parry
Head of Service:	Huw Percy
Report Author:	Dylan Llewelyn Jones
Tel:	01248 751 805
Email:	DylanLlewelynJones@ynysmon.gov.uk
Local Members:	All

25

1 - Recommendation/s
<p>The Committee is requested to:</p> <p>R1 Approve the Isle of Anglesey EV Charging Plan Summary (the more detailed technical document named The Isle of Anglesey Electric Vehicle Charging Plan is available upon request).</p> <p>R2 Endorse the development and submission of external funding applications to progress delivery.</p> <p>R3. Endorse consideration of EV charging infrastructure requirements in the Council's new Capital Strategy (to be developed) and on a case by case basis when capital infrastructure projects are developed and implemented (including housing, business units, schools modernisation, extra care provision, town center regeneration and coastal/ tourism infrastructure etc.)</p>

2 – Link to Council Plan / Other Corporate Priorities
<p>The Plan supports the Council's key ambition as entailed in the Council Plan 2017-22:</p> <p><i>"we will be working towards an Anglesey that is healthy, thriving and prosperous"</i></p> <p>2022 is a transition year for the Council Plan, with a new five year plan being developed in 2022. This EV charging Plan responds to future challenges by contributing towards the Council's declaration of a Climate Emergency. It supports the Councils objective to become net zero carbon organisation by 2030. This plan sets out our approach to develop a sustainable network of EV charging points</p>

across the island which will support the Council to achieve the objectives set out in the new Net Zero Plan that is being finalised for endorsement.

3 – Guiding Principles for Scrutiny Members

To assist Members when scrutinising the topic:-

- 3.1** Impact the matter has on individuals and communities [focus on customer/citizen]
- 3.2** A look at the efficiency & effectiveness of any proposed change – both financially and in terms of quality [focus on value]
- 3.3** A look at any risks [focus on risk]
- 3.4** Scrutiny taking a performance monitoring or quality assurance role [focus on performance & quality]
- 3.5** Looking at plans and proposals from a perspective of:
- Long term
 - Prevention
 - Integration
 - Collaboration
 - Involvement
- [focus on wellbeing]
- 3.6** The potential impacts the decision would have on:
- protected groups under the Equality Act 2010
 - those experiencing socio-economic disadvantage in their lives (when making strategic decisions)
 - opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language
- [focus on equality and the Welsh language]

4 - Key Scrutiny Questions

1. The plan's delivery is heavily reliant on securing external grant funding support, if these funding sources would not be forthcoming how would this impact the plan?
2. How does this plan help the Council to achieve its commitment to become net zero carbon by 2030?
3. Does this plan support and enable the Council to change its own fleet of vehicles to electric vehicles?
4. What risks have been identified that could impact the delivery of this plan?

5 – Background / Context

The Plan will develop new modern EV charging points infrastructure across the island, available for use by Council staff, residents and visitors. The plan will assist in the transition to decarbonise the transport sector in line with Welsh Governments

new transport Strategy, Llwybr Newydd and the Electric Vehicle Charging Strategy for Wales.

By adopting the EV Plan it will provide the platform for the Council to make strong evidence based bids for external funding and enable a consistent approach to delivery.

Delivering the EV Action Plan is dependent on securing significant amount of external funding, it would not be feasible to fund through the Council's limited capital budget alone (due to its scale and competing priorities).

6 – Equality Impact Assessment [including impacts on the Welsh Language]

6.1 Potential impacts on protected groups under the Equality Act 2010

The EV charging points plan will be implemented with full consideration to the Equality Act 2010, installation and accessibility of charging points will be considered fully in line with the Road Traffic Regulation Act 1984 and Disabled Persons (Badges for Motor Vehicles) (Wales) Regulations 2000 requirements.

It is not expected that installation of EV charging points would not have any significant impact on protected groups.

6.2 Potential impacts on those experiencing socio-economic disadvantage in their lives (strategic decisions)

The installation of EV charging points and location of installations will be distributed across the island, ensuring access to all communities across the island. The installation programme will be based on a prioritisation matrix that is currently being developed against a set criteria.

Access to EV charging points is dependent on residents having access to an electrical vehicle, which is outside of the control of the Council.

6.3 Potential impacts on opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language

All EV charging points installed will be in line with Welsh language requirements.

7 – Financial Implications

Delivering the EV Action Plan is dependent on securing external funding, therefore, it is caveated that EV Action Plan can only be fully delivered on the remit that external funding is secured. Should this be the case, in respect of installation of the infrastructure there would be no financial implications on the IACC other than officer time to deliver as agreed in any funding application.

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8 – Appendices:

Isle of Anglesey EV Charging Action Plan Summary and Prioritisation of Next Steps

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

A technical Action Plan is available on request.



Highways, Property and Waste Service

Isle of Anglesey EV Charging Action Plan Summary and Prioritisation of Next Steps

February, 2022

**Author:
Dylan Ll. Jones
Final Version**

1.0 Purpose

- 1.1 To provide an overview of the Isle of Anglesey EV Charging Action Plan (2022-2030). The plan sets out the Isle of Anglesey's ambitious plans in meeting the charging requirements of residents and visitors to the Island. This will make the Council one of the first in Wales to deliver action at scale in response to the Welsh Government's EV Charging Strategy for Wales¹, 'leading the charge' with a sustainable and holistic approach.
- 1.2 To brief and receive political endorsement from the Isle of Anglesey County Council's (IACC) Executive Committee in respect of:
 - a) The EV Charging Action Plan (this report provides the summary, a more detailed technical action plan is available on request);
 - b) A forward plan on which to base funding applications for 2022/23 financial year and beyond
- 1.3 For clarity, this is a summary on the EV Charging Action Plan only and there is a separate Fleet Transition Plan to explain and demonstrate how the IACC will be decarbonising its own fleet vehicles.

2.0 Context

- 2.1 After declaring climate emergency in September 2020, the IACC have been looking into how to reduce its environmental impact and meet WG targets by committing to transition to a carbon neutral public sector. One of the ways we can do this is by using ultra-low emission vehicles, such as electric or hydrogen powered vehicles.
- 2.2 The provision of Electric Vehicle (EV) charging is an essential component of our ambitions to reduce our carbon footprint as an organisation, and support the transition to net zero for the Island under our Climate Change Programme. It also responds to the rapid increase in number of electric vehicles on the road, and the ban on the sale of new diesel and petrol cars and vans by 2030.
- 2.3 Electric vehicle charging is an essential component of transport decarbonisation. [Llwybr Newydd: the Wales transport strategy](#) sets the framework for decarbonisation of the transport sector in Wales as a whole. Under this, the Council can apply for funding from Welsh Government's Ultra-Low Vehicle Transformation Fund (ULEV). The Council can also apply to the UK Office for Zero Emissions Vehicles (OZEV) for funding workplace charging for staff.

¹ [Electric vehicle charging strategy for Wales | GOV.WALES](#)

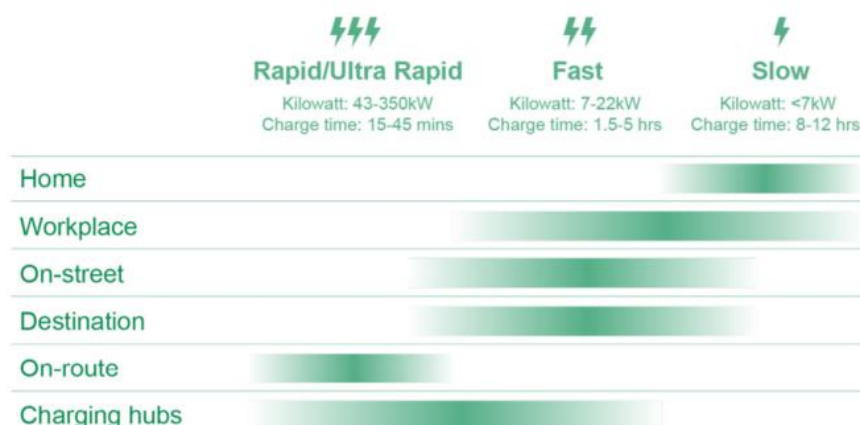
- 2.4 The IACC are in the process of developing a local Climate Change Plan 2022-2025 which will be the overarching document. The EV Action Plan will form one of the key pillars of the Climate Change Plan and there will be clear alignment between both documentation.
- 2.5 In parallel, an IACC Fleet Transition Plan is being prepared in order to meet Net Zero Carbon Budget 2021-2025 Policy 80 whereby all new public sector cars and light good vehicles should be zero/ultra-low emission by 2025 and heavy goods by 2030. The Fleet Transition Plan will also provide more information in relation to the proposed policy and process on EV charging at IACC assets for fleet use (and the consideration of EV Charging at the homes of staff that keep vehicles overnight). The Welsh Government also see this as a priority having introduced proposals to ensure all new vehicles in public sector fleets are ultra-low emission by 2030.

3.0 IACC EV Action Plan – Summary

- 3.1 This paper sets out the high-level overview of the EV Charging Action Plan (A full technical EV Action Plan is available on request). It is noted that this is only the start of the journey to install EV infrastructure at key locations. It will need other partner organisations, stakeholders and private sector involvement over the next 10 years to deliver Welsh Government's targets in respect of creating a robust network of EV charging points to give the public confidence that they can access EV charging infrastructure when and where they need it.
- 3.2 In providing a range of charging facilities, the Council will act in accordance with the following principles;
- Leading by providing charging points across IACC assets at County Council Car Parks, IACC Services which can be used by visitors, and at the Main Council Offices for staff.
 - Support residents to transition from petrol/diesel to electric vehicles (where private vehicles are still required);
 - Help visitors feel confident that their charging needs will be met;
 - Help fleet and local businesses to transition to electric;
 - Support and integrate active travel, car share, taxis and public transport to help reduce traffic and enhance wellbeing;
 - Be inclusive of a range of users, including those with accessibility needs;
 - Improve local air quality for health and wellbeing;
 - Play our part in delivering a net zero Wales
- 3.3 A range of various charging facilities will be required to meet the needs of the general population and to conform with the EV Charging Strategy for Wales.

The type of charging infrastructure will vary across different locations and is dependent on the charging behaviour (how long people will be parking) and is summarised in Figure 1.

Figure 1 – Locations and speed/rating of charging infrastructure



(source: WG EV Charging Strategy for Wales, 2021)

- 3.3 The Council will lead, facilitate and act to provide a range of charging to serve a variety of user-centric requirements.

Leading

- 3.4 As a Council, we will be a public sector role model by ensuring our vehicle fleet is carbon neutral by 2030, providing charging for staff. In addition to the EV Charging Plan, we are preparing a plan for transitioning our public sector fleet to ultra-low emission by 2030.
- 3.5 We will provide public charging for visitors at council-run services. The Plan sets out an ambition for 10% of parking spaces at council run services to have charging provided by 2025, and 20% of spaces by 2030. This includes accessible spaces.
- 3.6 We will apply for funding for workplace charging at employment sites where the council owns the lease.

Facilitating

- 3.6 We will provide public information about the charging network, and will help residents to understand how they can access UK funding support to install charging at home. In our planning functions we will promote workplace charging at key employment centres owned by the private sector.
- 3.7 The sign-posting will be promoted by creating a dedicated page on the IACC's website with information on charging facilities on the Island and how to use

such apparatus. In addition, positive PR can be undertaken to promote EV charging facilities on the Island (in due course).

- 3.8 In the early years, the IACC will also identify possibilities on working in partnership with partner organisations where such opportunities are possible.

Delivering

- 3.9 The IACC have already started the roll-out of EV Charging Points with such infrastructure available at the Anglesey Business Centre and Canolfan Byron. There are also EV Charging Points for a limited number of fleet vehicles at the main Council Offices in Llangefni.
- 3.10 Further development work has already taken place with plans to install rapid public charging at Amlwch, Llangefni, Holyhead and Menai Bridge in 2022 via the WG ULEV funding.
- 3.11 A combination of rapid and fast charging will be installed at the park and ride/share St. Tysilio Park and Share Car Park, Llanfairpwll, subject to securing capital funding. Exploration works will take place at other potential park and ride/share locations and/or community car parks.
- 3.12 The Plan introduces our intention to install fast charging at council-run car parks across the Island, in phases, to meet the predicted increase in demand for charging over the next decade. This would provide up to ten fast charge points per car park by 2025, and up to 35 by 2030. This scale of provision meets up to 50% of the total demand for fast charging on the Island forecast in The EV Charging Strategy for Wales. The balance is expected to be delivered by the private sector.
- 3.13 Working towards 2030 we plan to pilot innovation and renewable energy solutions at locations that are difficult to connect to the grid, whilst supporting sustainable transport options such as park and share and community electric car share schemes.

4.0 Next Steps during 2021/22

- 4.1 £125k remains available from a total of £150k from Welsh Government to be allocated for spending by the end of this financial year (2021/22). The proposal for expenditure is outlined in Table 1.

Table 1 – Proposal of Work Activities and Spend up to end of March 2022

Activity	Description	Budget
1. Feasibility Study across all Council run car parks.	<ul style="list-style-type: none"> Undertake feasibility assessments across council run car parks, to identify the first five sites to have fast charging installed (out of a total of 62 potential locations). 	£55k

	<ul style="list-style-type: none"> • A key outcome of the feasibility assessments will be through engagement with Scottish Power Energy Networks (SPEN) establish grid connection requirements and costs, in order to inform funding applications. • Subject to funding, the first five sites will be subject to further design and development early next financial year for construction during the course of next financial year. 	
2. Feasibility Study across all Council run services	<ul style="list-style-type: none"> • Undertake feasibility assessments to install fast charging for visitors to council run services. • This will identify the top five locations such as Oriel Mon and Leisure Centres (subject to feasibility- 19 key locations are identified in the Action Plan Figure 9). A key outcome of the feasibility assessments will be through engagement with Scottish Power Energy Networks (SPEN) establish grid connection requirements and costs, in order to inform funding applications. • Subject to funding, these sites will be subject to further design and development early next financial year for construction during the course of next financial year. 	£25k
3. Installation of Fast / Rapid Charging at Town Hall Car Park, Llangefni	<ul style="list-style-type: none"> • Installation of 1 dual Fast/Rapid EV Charging Point in the Town Hall Car Park (rear – long stay). • Quotations have already been received from SPEN for this site and the electrical connection is favourable in respect of capacity. • Consultants available to undertake design works and associated works. • IACC Highways Main Contractor available to undertake civil works. • Tender process for purchase of infrastructure can be undertaken in January 2022. • Not possible to locate other locations with spend by end of financial year due to 14 weeks lead in time to request for quotations and mobilising team on-site 	£25k
4. EV Programme	<ul style="list-style-type: none"> • Establishing the programme function to oversee delivery of the multiple workstreams involved. 	£20k

Level Activities	<ul style="list-style-type: none"> • This includes working in partnership with WG and SPEN on innovative / pilot projects, establishing procurement routes, delivery and management arrangements (such as business models / long term management plans phases need to be considered), programme engagement and stakeholder coordination. Our requirements of suppliers will be set, including Welsh language provision. • The intention is to work with the Energy Island Programme to develop appropriate branding and messaging for our facilitation and delivery role, visible online and on physical infrastructure installations. 	
Submit Funding Applications for 2022/23	Prepare funding applications (to Welsh Government and the Office for Low Emissions Vehicles) for site installations and other workstreams in FY 2022/2023 identified in the accompanying Prioritisation Matrix and Programme/Forward Plan.	£0k

4.2 Independent of the above - It is noted that rapid public charging (x1) will be installed at Amlwch, Llangefni, Holyhead and Menai Bridge via the Ultra Low Electric Vehicle Fund that has already secured for 2021/22. (Please refer to Paragraph 3.8).

4.3 The Highways, Waste and Property Service has made an application for additional revenue support to assist in the process of delivering the EV Action Plan.

5. Prioritisation of future activities

5.1 The EV Charging Plan takes a holistic approach in mapping out the various charging requirements of users at different locations, varying charging speeds, and a range of funding and delivery models. This has led to identification of ten workstreams to deliver the aims of the Plan.

5.2 Following analysis, the top four work streams has been identified as;

- a) provision of charging at council run services;
- b) destination charging at the park and ride/share St. Tysilio Park and Share Car Park, Llanfairpwll;
- c) Charging at council run car parks; (Collectively these measures create a balanced distribution of locations and types of charging across the Island);
- d) Signposting of information for residential charging (quick win).

5.4 Subsequent priorities would be:

- e) Charging at employment sites where the council owns the lease, and;

- f) Charging for staff parking at Council officers.

5.5 The Council can use its planning functions to encourage provision on privately owned employment sites, although this is not a priority for action requiring funding. Community based charging hubs and on-street kerbside charging are longer term ambitions and not a priority for this coming financial year.

6. Financial Implications

- 6.1 Delivering the EV Action Plan is dependent on securing external funding, therefore, it is caveated that EV Action Plan can only be fully delivered on the remit that external funding is secured. Should this be the case, in respect of installation of the infrastructure there would be no financial implications on the IACC other than officer time to deliver as agreed in the funding application.
- 6.2 Internal capital funding bids can be undertaken to support delivering the EV Action Plan if deemed high priority. This would incur financial implications on the Local Authority for the implementation of such projects.
- 6.2 In respect of the operational stage of managing the EV infrastructure, further works will be required to identify the most practical and cost-effective business models / long term management plans. Activity 4 in Table 1 will focus on this in more detail to better understand:
 - a) Expected revenue requirements for maintaining the charging stations
 - b) Identification of the income model of the charging points (or cost-neutral)
 - c) Operational and maintenance costs on the Local Authority
 - d) Cost of installation at nil charge (by the supplier) to the Local Authority but all income to be taken by the supplier (the only benefit would be for the service to the Local Authority)

7. Monitoring

- 7.1 The annual implementation will be planned against the Prioritisation Matrix and mechanisms to report and monitor delivery will be undertaken in alignment with the IACC Climate Change Plan. The progress against the EV Action Plan can report to Climate Change Group (tbc) /SLT/ Executive at intervals to be agreed.
- 7.2 Due to the evolving and fast-paced nature of the EV sector, it has been outlined in the IACC EV Action Plan to include a mid-term review of the plan to ensure it meets needs and respond to changes in circumstances and remains fit for purpose.

ISLE OF ANGLESEY COUNTY COUNCIL <u>Scrutiny Report Template</u>	
Committee:	Corporate Scrutiny Committee
Date:	28 th February, 2022
Subject:	Corporate Scrutiny Committee Forward Work Programme
Purpose of Report:	Assist the Scrutiny Committee in considering, agreeing and reviewing its forward work programme for 2021/22
Scrutiny Chair:	Cllr Aled Morris Jones
Portfolio Holder(s):	Not applicable
Head of Service:	Rhys Hughes, Interim Director of Function (Council Business) / Monitoring Officer
Report Author:	Anwen Davies, Scrutiny Manager
Tel:	01248 752578
Email:	AnwenDavies@ynysmon.gov.uk
Local Members:	Applicable to all Scrutiny Members

25

1 - Recommendation/s
<p>The Committee is requested to:</p> <p>R1 agree the current version of the forward work programme for 2021/22</p> <p>R2 note progress thus far in implementing the forward work programme.</p>

2 – Link to Council Plan / Other Corporate Priorities
<p>Effective work programming is the foundation of effective local government scrutiny. Our Scrutiny rolling forward work programmes are aligned with the corporate priorities of the 2017/2022 Council Plan and corporate transformation programmes – ensuring the role of Member scrutiny makes a tangible contribution to the Council's improvement priorities.</p>

3 – Guiding Principles for Scrutiny Members
<p>To assist Members when scrutinising the topic:-</p> <p>3.1 Impact the matter has on individuals and communities [focus on customer/citizen]</p> <p>3.2 A look at the efficiency & effectiveness of any proposed change – both financially and in terms of quality [focus on value]</p> <p>3.3 A look at any risks [focus on risk]</p> <p>3.4 Scrutiny taking a performance monitoring or quality assurance role [focus on performance & quality]</p> <p>3.5 Looking at plans and proposals from a perspective of:</p> <ul style="list-style-type: none"> • Long term • Prevention • Integration • Collaboration • Involvement <p>[focus on wellbeing]</p>

3.6 The potential impacts the decision would have on:

- protected groups under the Equality Act 2010
- those experiencing socio-economic disadvantage in their lives (when making strategic decisions)
- opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language

[focus on equality and the Welsh language]

4 - Key Scrutiny Questions**5 – Background / Context****1. Background**

1.1 Effective work programming is the bedrock of an effective local government scrutiny function¹. Done well, work programming can help lay the foundations for targeted and timely work on issues of local importance demonstrating where Member scrutiny can add value. Good practice advocates two key issues at the heart of the scrutiny forward work programme:

- Challenge around prioritising work streams
- Need for a member-led approach and interface with officers.

1.2 Basic principles of good work programming²

- Work programming should not be a “start-stop” process
- Complementary work programmes for separate scrutiny committees
- Balance between different methods of work
- An effective process for reporting / escalating issues to the Executive
- Input and views of internal stakeholders
- Close working with the Executive
- Links with the Annual Scrutiny Report (evaluation and improvement tool).

2. Local context

2.1 There is now a well-established practice of forward work programming which are now rolling programmes focusing on the quality of scrutiny with fewer items, to add value. They are an important tool to assist Members in prioritising their work and are discussed with the Senior Leadership Team and Heads of Service. Both committees review the content of their work programmes on a regular basis, to ensure that they remain relevant and keep abreast with local priorities. Our local forward planning arrangements now ensure greater focus on:

- Strategic aspects
- Citizen / other stakeholder engagement and outcomes
- Priorities of the 2017/2022 Council Plan and transformation projects
- Risks and the work of inspection and regulation
- Matters on the forward work programme of the Executive.

¹ A Cuning Plan? Devising a scrutiny work programme, Centre for Public Scrutiny (March, 2011)

² A Cuning Plan? Devising a scrutiny work programme, Centre for Public Scrutiny (March, 2011)

Outcome: rolling work programmes for scrutiny committees which are aligned with corporate priorities.

2.2 Committee chairs lead on developing the forward work programmes and are submitted to the monthly Scrutiny Chairs and Vice-chairs Forum and for approval at each ordinary meeting of the scrutiny committees. The Forum is considered an important vehicle to oversee these programmes and jointly negotiate priorities.

2.3 **“Whole council” approach to Scrutiny:** our work programmes provide a strong foundation for our improvement programme, ensuring the role that Scrutiny plays in the Authority’s governance arrangements:

- i. Supports robust and effective decision-making
- ii. Makes a tangible contribution to the Council’s improvement priorities
- iii. Continues to evolve

2.4 **Impact of the current Emergency on the Committee’s Work Programme**

The current period (**managing the emergency response to the Pandemic, the Recovery Period and gradually returning to the New Norm**) are extremely challenging periods for the Council and every other public organisation throughout Wales as we continue to face the challenges of the Covid-19 emergency and it is inevitable that this will impact on the Committee’s work programme. As a result, the Council has changed its way of working as a result of the global health emergency. During an emergency period, governance and accountability are of key importance.

The Centre for Public Scrutiny proposes a specific scrutiny model as a result of the pandemic, which in conjunction with the Council’s Committee Strategy provides a structure to inform the Committee’s work programme. A summary is provided below:

- i. Focus on a smaller number of key issues around “life and limb” aspects of local people’s lives
- ii. Maintain a “watching brief” over Council services, performance and financial matters
- iii. **Specific elements of the Scrutiny Model**
 - Overview of the Council’s response to Covid-19
 - Specific overview of *life and limb* matters (social care legislation, safeguarding children and adults; public health)
 - Continued overview of the Council’s financial matters
 - Act as a conduit for community experiences.

3. **Issues for consideration**

3.1 The Scrutiny Committee receives regular update reports on the implementation of its forward work programme. A copy of the current 2021/22 work programme is attached as **APPENDIX 1** to this report for reference and includes changes made to the work programme since the Committee last considered the document.³

³ Meeting of the Corporate Scrutiny Committee convened on 24th January, 2022

3.2 Where appropriate, items may be added to the Committee's forward work programme during the municipal year. Requests for additional matters to be considered for inclusion on the work programme can be submitted via the Members Request Form for an item to be considered for Scrutiny. Requests are initially considered by the Scrutiny Chairs and Vice-chairs Forum, using the following criteria:

- the Council's strategic objectives and priorities (as outlined in the Council Plan 2017/2022)
- the ability of the Committee to have influence and/or add value on the subject (A Scrutiny Test of Significance Form will be completed).

6 – Equality Impact Assessment [including impacts on the Welsh Language]

6.1 Potential impacts on protected groups under the Equality Act 2010

6.2 Potential impacts on those experiencing socio-economic disadvantage in their lives (strategic decisions)

6.3 Potential impacts on opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language

Not applicable for this overarching issue but will be considered as an integral part of preparing for specific proposals to be submitted for consideration by the Committee.

7 – Financial Implications

Not applicable.

8 – Appendices:

Corporate Scrutiny Committee Forward Work Programme 2021/22

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

Anwen Davies, Scrutiny Manager, Isle of Anglesey, Council Offices, Llangefni. LL77 7TW

ITEMS SCHEDULED FOR SCRUTINY → June 2021 – April, 2022
[Version dated 16/02/22]

Note for Stakeholders and the Public:

A [Protocol for Public Speaking at Scrutiny Committees](#) has been published by the Council.

Should you wish to speak on any specific item at a Scrutiny Committee then you should register your interest by submitting a written request using the form available as soon as possible and at least 3 clear working days prior to the specific Committee meeting. You can access information about the meeting and which items being discussed by reading this Forward Work Programme. Contact the Scrutiny Manager if you have any queries

[\[AnwenDavies@ynysmon.gov.uk\]](mailto:AnwenDavies@ynysmon.gov.uk)

CORPORATE SCRUTINY COMMITTEE	PARTNERSHIP AND REGENERATION SCRUTINY COMMITTEE
June, 2021 (07/06/21)	June, 2021 (15/06/21)
Performance Monitoring: Corporate Scorecard Qtr4: 2020/21	Update from Chief Executive of BCUHB
Finance Scrutiny Panel Progress Report	Annual Report on the Welsh Standards 2020/21
Housing Service Homelessness Data	Committee Forward Work Programme for 2021/22
Committee Forward Work Programme for 2021/22	
July, 2021 (08/07/21)	June, 2021 (28/06/2021)
Social Services Statutory Director Annual Report 2020/21	North Wales Economic Ambition Board Annual Report 2020-21
Committee Forward Work Programme for 2021/22	Public Services Board Annual Report 2020/21
	Annual Report: North Wales Regional Partnership Board (Part 9: Health and Social Services) 2020/21
	Committee Forward Work Programme for 2021/22
September, 2021 (13/09/21)	September, 2021 (20/09/21)
Monitoring Performance: Q1: 2021/22	North Wales Economic Ambition Board Quarter 1 Progress Report 2021/22
Finance Scrutiny Panel Progress Report	Schools Progress Review Panel Progress Report
Progress Monitoring: Social Services Improvement Plan / Social Services Improvement Panel Progress Report	
Committee Forward Work Programme for 2021/22	Committee Forward Work Programme for 2021/22
October, 2021 (18/10/21)	October, 2021 (19/10/21) - cancelled
Annual Performance Report 2020/21	
Nomination of Committee Member on the Waste Steering Group with WRAP Cymru	

CORPORATE SCRUTINY COMMITTEE	PARTNERSHIP AND REGENERATION SCRUTINY COMMITTEE
Committee Forward Work Programme for 2021/22	
November, 2021 (01/11/21) - Budget 2022/23 - cancelled	November, 2021 (09/11/21)
	Welsh Language: <ul style="list-style-type: none"> Language Strategy: 2021/26 – review Welsh in Education Strategic Plan
	Joint Local Development Plan: Review Report
	Committee Forward Work Programme for 2021/22
	Update – For Information <ul style="list-style-type: none"> Public Services Board - Governance Arrangements North Wales Economic Ambition Board Qtr 2 Progress Report 2021/22
November, 2021 (16/11/21) - Q2	
Monitoring Performance: Corporate Scorecard Q2: 2021/22	
Finance Scrutiny Panel Progress Report	
Transition Plan	
Committee Forward Work Programme for 2021/22	
January, 2022 (24/01/22)	January, 2022 (18/01/22)
Local Housing Strategy: 2022/27	Annual Report - Community Safety Partnership
2022/23 Budget Setting (Revenue Budget) – initial budget proposals	Corporate Safeguarding
2022/23 Budget Setting (Capital Budget) – initial budget proposals	
Finance Scrutiny Panel Progress Report	
Committee Forward Work Programme for 2021/22	Committee Forward Work Programme for 2021/22
February, 2022 (28/02/22)	February, 2022 (08/02/22) - cancelled
Final Draft Budget Proposals for 2022/23 – revenue & capital	
Finance Scrutiny Panel Progress Report	
Extra Care Housing	
Towards a Net Zero Plan	
Electric Vehicles Charging Points Infrastructure	
Committee Forward Work Programme for 2021/22	
March, 2022 (07/03/22) - Q3	March, 2022 (08/03/22)
Monitoring Performance: Corporate Scorecard Q3: 2021/22	Annual Report on Equalities: 2020/21

CORPORATE SCRUTINY COMMITTEE	PARTNERSHIP AND REGENERATION SCRUTINY COMMITTEE
Housing Revenue Account Business Plan: 2022/23	North Wales Economic Ambition Board Qtr 3 Progress Report 2021/22
Homelessness Strategy and Housing Support Grant	Population Needs Assessment: Social Services and Wellbeing Act 2014
	Public Services Board – scrutiny of progress and delivery of the Wellbeing Plan / Consultation on Draft Wellbeing Assessment
	Regional Emergency Planning Service Annual Report

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