

Public Document Pack



CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

Mr Dylan Williams
Prif Weithredwr – Chief Executive

CYNGOR SIR YNYS MÔN
ISLE OF ANGLESEY COUNTY COUNCIL
Swyddfeydd y Cyngor - Council Offices
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RHYBUDD O GYFARFOD	NOTICE OF MEETING
PWYLLGOR GWAITH	THE EXECUTIVE
DYDD MAWRTH 29 TACHWEDD 2022 10.00 o'r gloch	TUESDAY 29 NOVEMBER 2022 10.00 am
CYFARFOD HYBRID – YN SIAMBR Y CYNGOR AC YN RHITHWIR	HYBRID MEETING – VIRTUAL, AND IN THE COUNCIL CHAMBER
Swyddog Pwyllgor	Ann Holmes 01248 752518 Committee Officer

AELODAU/MEMBERS

Plaid Cymru/The Party of Wales

Carwyn E Jones, Llinos Medi, Alun W Mummery, Gary Pritchard, Alun Roberts, Nicola Roberts, Robin Wyn Williams

Y Grŵp Annibynnol/The Independent Group

Dafydd Rhys Thomas, Ieuan Williams

COPI ER GWYBODAETH / COPY FOR INFORMATION

I Aelodau'r Cyngor Sir / To the Members of the County Council

Bydd aelod sydd ddim ar y Pwyllgor Gwaith yn cael gwahoddiad i'r cyfarfod i siarad (ond nid i bleidleisio) os ydy o/hi wedi gofyn am gael rhoddi eitem ar y rhaglen dan Reolau Gweithdrefn y Pwyllgor Gwaith. Efallai bydd y Pwyllgor Gwaith yn ystyried ceisiadau gan aelodau sydd ddim ar y Pwyllgor Gwaith i siarad ar faterion eraill.

A non-Executive member will be invited to the meeting and may speak (but not vote) during the meeting, if he/she has requested the item to be placed on the agenda under the Executive Procedure Rules. Requests by non-Executive members to speak on other matters may be considered at the discretion of The Executive.

Please note that meetings of the Committee are streamed for live and subsequent broadcast on the Council's website. The Authority is a Data Controller under the Data Protection Act and data collected during this live stream will be retained in accordance with the Authority's published policy.

A G E N D A

1 DECLARATION OF INTEREST

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

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

No urgent matters at the time of dispatch of this agenda.

3 MINUTES (Pages 1 - 6)

To submit for confirmation, the draft minutes of the meeting of the Executive held on 25 October 2022.

4 THE EXECUTIVE'S FORWARD WORK PROGRAMME (Pages 7 - 20)

To submit a report by the Deputy Chief Executive (and Interim Head of Democratic Services).

5 SCORECARD MONITORING REPORT - QUARTER 2, 2022/23 (Pages 21 - 34)

To submit a report by the Head of Profession, HR and Transformation.

6 ANNUAL TREASURY MANAGEMENT REVIEW FOR 2021/22 (Pages 35 - 50)

To submit a report by the Director of Function (Resources)/Section 151 Officer.

7 REVENUE BUDGET MONITORING - QUARTER 2, 2022/23 (Pages 51 - 76)

To submit a report by the Director of Function (Resources)/Section 151 Officer.

8 CAPITAL BUDGET MONITORING - QUARTER 2, 2022/23 (Pages 77 - 92)

To submit a report by the Director of Function (Resources)/Section 151 Officer.

9 HOUSING REVENUE ACCOUNT BUDGET MONITORING - QUARTER 2, 2022/23 (Pages 93 - 102)

To submit a report by the Director of Function (Resources)/Section 151 Officer.

10 THE COUNCIL TAX BASE FOR 2023/24 (Pages 103 - 110)

To submit a report by the Director of Function (Resources)/Section 151 Officer.

11 COMMON ALLOCATIONS POLICY FOR SOCIAL HOUSING (Pages 111 - 116)

To submit a report by the Head of Housing Services.

12 **DISABLED FACILITIES GRANT - CHANGE IN POLICY** (Pages 117 - 122)

To submit a report by the Head of Housing Services.

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THE EXECUTIVE

Minutes of the hybrid meeting held on 25 October, 2022

- PRESENT:** Councillor Carwyn Jones (Vice-Chair) (In the Chair)
- Councillors Alun Mummery, Gary Pritchard, Alun Roberts, Nicola Roberts, Dafydd Rhys Thomas, Ieuan Williams, Robin Williams
- IN ATTENDANCE:** Deputy Chief Executive/Interim Head of Democratic Services
Director of Function (Resources)/Section 151 Officer
Director of Function (Council Business)/Monitoring Officer
Director of Social Services
Head of Housing Services
Regeneration Manager (Economic Development & Regulation)
Economic Development Manager (THJ)
Programme, Business Planning & Performance Manager
Head of Adults' Services
Policy Officer (RWJ)
Committee Officer (ATH)
- APOLOGIES:** Councillor Llinos Medi (Leader), Mr Dylan Williams (Chief Executive), Mrs Carys Edwards (Head of Profession – HR and Transformation)
- ALSO PRESENT:** Councillors Geraint Bebb, Glyn Haynes, Trefor Lloyd Hughes, MBE, Derek Owen, Dylan Rees, Dafydd Roberts, Ken Taylor, Arfon Wyn
-

1. DECLARATION OF INTEREST

No declaration of interest was received.

2. URGENT MATTERS CERTIFIED BY THE CHIEF EXECUTIVE OR HIS APPOINTED OFFICER

None to report.

3. MINUTES

The minutes of the previous meeting of the Executive held on 27 September, 2022 were presented for confirmation.

It was resolved that the minutes of the previous meeting of the Executive held on 27 September, 2022 be approved as correct.

4. THE EXECUTIVE'S FORWARD WORK PROGRAMME

The report of the Deputy Chief Executive and Interim Head of Democratic Services incorporating the Executive's Forward Work Programme for the period November, 2022 to June, 2023 was presented for confirmation.

The Policy Officer updated the Executive on items that were new to the Work Programme and advised that Item 7 – HRA Housing Rents and Housing Service Charges 2023/24 - has been brought forward from February, 2023 to November, 2022 for earlier determination. Also, since the publication of the Work Programme the Housing Service has requested that an item on adapting the temporary housing allocation policy be brought to the Executive's next meeting in November, 2022.

It was resolved to confirm the Executive's updated Forward Work Programme for the period from November, 2022 to June, 2023 with the additional change outlined at the meeting.

5. ANNUAL PERFORMANCE REPORT 2021/22

The Annual Performance Report for 2021/22 was presented for the Executive's consideration. The report provided an analysis of performance over the 2021/22 financial year against the improvements and priorities set out by the Council.

Councillor Robin Williams Portfolio Member for Finance, Corporate Business and Customer Experience in presenting the report said that it gives an overview of the Council's activities during 2021/22 and addresses what the Council did during the year against what it said it would do as set out in the Annual Delivery Document. It also reports on the Council's achievements up until the end of August against planned work on the Transitional Plan for 2022/23. The highlights at page 3 of the report show that 73% of actions against the Transitional Plan are on time or have been completed and against the Annual Delivery Document the achievement level is 96%. The year on year performance of key performance indicators has also improved. The Annual Performance Report was scrutinised by the Corporate Scrutiny Committee at its meeting on 19 October, 2022 where it was accepted as a fair reflection of the Authority's work over the year and it will be presented to Full Council for its approval on 27 October, 2022.

It was resolved to agree the content of the 2021/22 Performance Report as a fair and complete reflection of the Authority's work over that period and to recommend to the County Council as its meeting on 27 October, 2022 that it be adopted.

6. POST INSPECTION ACTION PLAN

The report of the Director of Learning, Skills and Young People which incorporated the report of Estyn on its inspection of the Isle of Anglesey Council's Learning Services along with the Authority's Post-Inspection Action Plan was presented for the Executive's consideration.

Councillor Ieuan Williams, Portfolio Member for Education and the Welsh Language presented the report and provided some background information as regards the areas inspected by Estyn when it conducted its review of the Learning Service in June, 2022. The report is positive and finds that the robust quality and effectiveness of the Learning Service's leaders contribute very effectively towards ensuring high quality education services. Two areas of good practice were identified by the review and these will form the basis of case studies which the Learning Service is now preparing. Two areas were also noted as requiring improvement in relation to strengthening the process for evaluating the effect of the Learning Service's work and developing formal scrutiny arrangements. Although not a statutory requirement, the recommendations from the report have been collated into a post-inspection action plan which will be monitored and reported on regularly as outlined in the report.

The Director of Learning, Skills and Young People gave his professional perspective on the inspection report saying that the report was a credit to the Learning Service.

Councillor Dylan Rees, Chair of the Partnership and Regeneration Scrutiny Committee reported that the Committee which considered the report at its meeting on 18 October, 2022 welcomed the findings and accepted the Post-inspection Action plan as comprehensive and the proposed arrangements for scrutiny as effective.

The Executive was unanimous in its thanks to all the staff of the Learning Service including schools and central staff for their dedication and efforts and commended the progress made over the past few years to bring the Service to this point of achievement and excellence.

It was resolved to approve the Estyn Post-Inspection Action Plan and that the Executive is assured that the plan responds to the recommendations from the Estyn inspection in a reasonable and timely manner.

7. ARFOR 2 PROGRAMME

The report of the Head of Service (Regulation and Economic Development) which sought the Executive's approval to join the Arfor 2 Programme was presented for consideration.

Councillor Carwyn Jones, Portfolio Member for Economic Development, Leisure and Tourism in presenting the report provided a synopsis of the Arfor 1 Programme which ran from 2019 to 2020 and was a £2m scheme funded by Welsh Government to pilot different approaches and projects which promote entrepreneurship, business growth and community resilience and the Welsh language in the four Arfor region counties of Gwynedd, Anglesey, Ceredigion and Carmarthenshire. The report details the outputs of the programme for Anglesey where 75 grants were awarded to support existing and new businesses, jobs, products and services and refers to the programme evaluation which confirmed that despite the modest budget and the programme being disrupted by the pandemic, it had made a difference and had established useful collaboration between the four counties.

Welsh Government has now announced a further £11m to deliver a second phase of the Arfor Programme until March, 2025 to strengthen the economic resilience and prosperity of those communities in the four Arfor counties that are Welsh speaking heartlands thereby increasing opportunities to see and use the Welsh Language on a daily basis.

The Economic Development Regeneration Manager reported that the level of funding for Arfor 2 is higher than for phase 1 of the programme with Anglesey expected to receive £1.125m. He referred to the proposed Arfor 2 components as set out in section 4 of the report and confirmed that with regard to managing the programme, it was the wish of Anglesey, Ceredigion and Carmarthenshire that Gwynedd Council continue to co-ordinate and lead the programme on behalf of the four counties. The Arfor Board comprising of the Leaders of the four counties has submitted an Outline Proposal for the second phase of the programme to Welsh Government and this is shown in Appendix 1 to the report. A promotion document for Arfor 2 will highlight the successes of the first phase of the programme.

Councillor Dylan Rees, Chair of the Partnership and Regeneration Scrutiny Committee confirmed that the Committee at its 18 October, 2022 meeting was supportive of the programme and appreciated the Portfolio Member's input in explaining how local businesses had benefited from phase one. The Committee thought it would be helpful to monitor the second phase to see what difference it makes particularly as regards creating opportunities for young people to stay within or return to their communities on the Island.

The Executive welcomed Welsh Government's investment in the second phase of the Arfor scheme and agreed that it would be a worthwhile endeavour to monitor how the scheme through the Llwyddo'n Lleol 2050 project enables young people to remain within their

communities on Anglesey. There should also be a focus on publicity to maximise the accessibility and reach of the programme to as many businesses as possible.

It was resolved -

- **To agree that Anglesey County Council will act in conjunction with other county authorities as a partner in the ARFOR 2 Programme.**
- **To authorise the Head of Service – Regulation and Economic Development to do the following with the agreement of the Director of Function (Resources)/Section 151 Officer in respect of Financial decisions and the Legal Services Manager in respect of legal agreements:**
 - **Accept the terms of regional agreement(s) relating to the ARFOR 2 Programme**
 - **Receive ARFOR 2 funding and manage this in accordance with the grant conditions**
 - **Administer ARFOR 2 grants and projects which are the Council’s responsibility**
 - **Represent the Council in ARFOR 2 regional activities, including agreement of details of the programme relevant to Anglesey.**

8. HOLYHEAD FREEPORT BID

The report of the Head of Service (Regulation and Economic Development) which sought the Executive’s endorsement of a bid to establish a Freeport for Holyhead was submitted for consideration. Freeports are designated areas where a range of economic incentives are available to stimulate the local economy and encourage growth and investment. These include incentives related to tax, customs, business rates, planning, regeneration, innovation and trade and investment support.

Councillor Carwyn Jones, Portfolio Member for Economic Development, Leisure and Tourism presented the report and referred to the application process and challenging timescale for the submission of the bid. £26m of seed funding is available to the successful bidder(s) comprising of £1m of revenue funding and £25m of capital once the outline and full business cases have been approved. Bids can be submitted by a coalition that must include a port operator (Stena Line Ports Ltd. in the case of Holyhead) and the host local authority. While the Bidding Prospectus is similar to that for England which led to the award of Freeport status to eight applicants in 2021, there are fundamental differences between Welsh and English Freeports where the threshold for deregulation has been set and is assessed and regulated far more rigorously in Wales as detailed in the report. It should also be noted that the Council will only present a bid that ensures that the concerns outlined in the report are met and that it enhances jobs, opportunities and prosperity on Anglesey

The Economic Development Manager advised that Officers are continuing to work with Stena Line Ports Ltd. with regular meetings being held to maintain momentum in relation to the tight timescale and process and to discuss other matters including sites that might be included in the Prospectus and establishing the principles of a sound Governance Model that would be acceptable to both the Council and Stena Ports Ltd. These elements will become clearer should the bid reach the second phase when a business case will need to be prepared.

The Executive was supportive of the bid in principle but noted that further clarity and assurance on a number of issues are required as the bid is developed. The Council must also be satisfied that Freeport status for Holyhead will work for Anglesey and bring economic benefits to the Island.

It was resolved –

- That due to the application submission deadline, to delegate authority to authorise the final submission of a Freeport Bid to the Chief Executive in consultation with the Leader and the Portfolio Holder for Economic Development.
- To agree that call-in be excluded on the basis of urgency and prejudice to the public interest.

9. EXCLUSION OF THE PRESS AND PUBLIC

It was considered and was resolved Under Section 100 (A) (4) of the Local Government Act 1972, to exclude the press and public from the meeting during the discussion on the following item on the grounds that it involved the disclosure of exempt information as defined in Paragraph 14 of Schedule 12A of the said Act and in the Public Interest Test presented.

10. HOUSING DEVELOPMENTS ON THE FORMER NEWBOROUGH PRIMARY SCHOOL SITE

The report of the Head of Housing Services outlining a proposal to build 14 new homes on the former Newborough Primary School site was presented for the Executive's consideration. Should the scheme be approved, the new dwellings would be offered as social rent properties to applicants on the waiting list.

The Executive was advised of the details of the scheme as regards the type, size and energy efficiency credentials of the proposed dwellings with the report confirming the need in the Newborough area for the type of housing proposed. It was emphasised that during this unprecedented economic period, the Executive's approval is being sought on the basis of the existing need for the type of units described in the report and not the costs as set out. Should the scheme be approved by the Executive and by the Planning and Orders Committee, the intention is that work on the scheme should start towards the end of spring, 2023.

It was resolved subject to the receipt of planning approval, to approve moving forward to develop a scheme of 14 new homes in response to the local housing challenge which will be available to local residents as affordable homes to buy or rent on the former Newborough Primary School site.

11. EXCLUSION OF THE PRESS AND PUBLIC

It was considered and was resolved Under Section 100 (A) (4) of the Local Government Act 1972, to exclude the press and public from the meeting during the discussion on the following item on the grounds that it involved the disclosure of exempt information as defined in Paragraph 14 of Schedule 12A of the said Act and in the Public Interest Test presented.

12. HOUSING DEVELOPMENT ON THE FORMER PARCH THOMAS ELLIS SCHOOL SITE, HOLYHEAD

The report of the Head of Housing Services outlining a proposal to build 43 new homes on the former Parch. Thomas Ellis School site in Holyhead was presented for the Executive's consideration. Should the scheme be approved, the new dwellings would be offered as social rent and immediate rent properties to applicants on both the Council's waiting list and the Tai Teg waiting list.

The Executive was advised of the details of the scheme as regards the type, size and energy efficiency credentials of the proposed dwellings with the report confirming the need in the Holyhead area for the type of housing proposed, Holyhead being the area with the highest demand for social housing on the Island. It was emphasised that during this unprecedented

economic period, the Executive's approval is being sought on the basis of the existing need for the type of units described in the report and not the costs as set out. Should the scheme be approved by the Executive and by the Planning and Orders Committee, the intention is that work on the scheme should start towards the end of summer, 2023.

It was resolved subject to the receipt of planning approval, to approve moving forward to develop a scheme of 43 new homes in response to the local housing challenge, which will be available to local residents as affordable homes to buy or rent on the former Parch. Thomas Ellis school site, Holyhead.

**Councillor Carwyn Jones
Chair**

DRAFT

Isle of Anglesey County Council	
Report to:	The Executive
Date:	29 November 2022
Subject:	The Executive’s Forward Work Programme
Portfolio Holder(s):	Cllr Llinos Medi
Head of Service / Director:	Director of Function – Council Business / Monitoring Officer
Report Author:	Rhys H Hughes Deputy Chief Executive / Interim Head of Democratic Services
Local Members:	Not applicable

A –Recommendation/s and reason/s
<p>In accordance with its Constitution, the Council is required to publish a forward work programme and to update it regularly. The Executive’s Forward Work Programme is published each month to enable both members of the Council and the public to see what key decisions are likely to be taken over the coming months.</p> <p>The Executive is requested to:</p> <p>confirm the attached updated work programme which covers December 2022 – July 2023;</p> <p>identify any matters for specific input and consultation with the Council’s Scrutiny Committees;</p> <p>note that the forward work programme is updated monthly and submitted as a standing monthly item to the Executive.</p>

B – What other options did you consider and why did you reject them and/or opt for this option?
-

C – Why is this a decision for the Executive?
The approval of the Executive is sought before each update is published to strengthen accountability and forward planning arrangements.

Mae’r ddogfen hon hefyd ar gael yn Gymraeg / This document is also available in Welsh.

Ch – Is this decision consistent with policy approved by the full Council?

Yes.

D – Is this decision within the budget approved by the Council?

Not applicable.

Dd – Assessing the potential impact (if relevant):

1	How does this decision impact on our long term needs as an Island?	Not relevant.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	
6	If this is a strategic decision, note any potential impact that the decision would have on those 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.	

Mae'r ddogfen hon hefyd ar gael yn Gymraeg / This document is also available in Welsh.

E – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	The forward work programme is discussed at Heads of Service meetings ('Penaethiaid') on a monthly basis (standing agenda item).
2	Finance / Section 151 (mandatory)	
3	Legal / Monitoring Officer (mandatory)	
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Procurement	
8	Scrutiny	Under normal circumstances, monthly joint discussions take place on the work programmes of the Executive and the two Scrutiny Committees in order to ensure alignment.
9	Local Members	Not relevant

F - Appendices:

The Executive's Forward Work Programme: December 2022 – July 2023.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg / This document is also available in Welsh.

The Executive's Forward Work Programme

Period: December 2022 – July 2023

Updated 15 November 2022



The Executive's forward work programme enables both Members of the Council and the public to see what key decisions are likely to be taken by the Executive over the coming months.

Executive decisions may be taken by the Executive acting as a collective body or by individual members of the Executive acting under delegated powers. The forward work programme includes information on the decisions sought, who will make the decisions and who the lead Officers and Portfolio Holders are for each item.

Page 10 It should be noted, however, that the work programme is a flexible document as not all items requiring a decision will be known that far in advance and some timescales may need to be altered to reflect new priorities etc. The list of items included is therefore reviewed regularly and updates are published monthly.

Reports will need to be submitted from time to time regarding specific property transactions, in accordance with the Asset Management Policy and Procedures. Due to the influence of the external market, it is not possible to determine the timing of reports in advance

The latest version of the Executive's Forward Work Programme – **which is a live document and subject to change** - is set out on the following pages.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg / This document is also available in Welsh.

* Key:

S = Strategic – key corporate plans or initiatives

O =Operational – service delivery

FI = For information

The Executive's Forward Work Programme

Period: December 2022 – July 2023

Updated 15 November 2022

Subject & *category and what decision is sought	Decision by which Portfolio Holder or, if a collective decision, why	Lead Service	Responsible Officer/ Lead Member & contact for representation	Pre-decision / Scrutiny (if applicable)	Date to Executive or, if delegated, date of publication	Date to Full Council (if applicable)
December 2022						
1	The Executive's Forward Work Programme (S) Approval of monthly update.	The approval of the full Executive is sought to strengthen forward planning and accountability.	Council Business	Rhys H Hughes Deputy Chief Executive (and Interim Head of Democratic Services) Cllr Llinos Medi		The Executive 13 December 2022
2	HRA Housing Rents and Housing Service Charges 2023/24		Housing	Ned Michael Head of Housing Services Cllr Alun Mummery	Finance Scrutiny Panel	The Executive 13 December 2022
3	Section 6 Biodiversity Duty, Environment (Wales) Act 2016		Regulation and Economic Development	Christian Branch Head of Regulation and Economic Development Cllr Nicola Roberts		The Executive 13 December 2022
4	National Collaborative Arrangements for Welsh (local authority) Adoption and Fostering Services		Children's Services	Fôn Roberts Director of Social Services Cllr Gary Pritchard		The Executive 13 December 2022

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The Executive's Forward Work Programme

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January 2023						
5	2023/24 Budget (S) To finalise the Executive's initial draft budget proposals for consultation.	Resources	Marc Jones Director of Function – Resources / Section 151 Officer Cllr Robin Williams	Finance Scrutiny Panel / Corporate Scrutiny Committee - Dates to be confirmed	The Executive Date to be confirmed, subject to Welsh Government timescale.	
6	The Executive's Forward Work Programme (S) Approval of monthly update.	Council Business	Rhys H Hughes Deputy Chief Executive (and Interim Head of Democratic Services) Cllr Llinos Medi		The Executive 24 January 2023	
7	Council Plan 2023-2028	Corporate Transformation	Carys Edwards Head of Profession – HR and Transformation Cllr Robin Williams	Corporate Scrutiny Committee 19 January 2023	The Executive 24 January 2023	Full Council Date to be confirmed
8	Care Inspectorate Wales Post-Inspection Action Plan – Performance Evaluation Inspection	Social Services	Fôn Roberts Director of Social Services Cllr Alun Roberts	Social Services Scrutiny Panel 12 January 2023 Corporate Scrutiny Cttee 19 January 2023	The Executive 24 January 2023	

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The Executive's Forward Work Programme

Period: December 2022 – July 2023

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February 2023						
9	The Executive's Forward Work Programme (S) Approval of monthly update.	Council Business	Rhys H Hughes Deputy Chief Executive (and Interim Head of Democratic Services) Cllr Llinos Medi		The Executive 14 February 2023	
10	Anglesey Further Education Trust Annual Report and Accounts 2021/22	Resources	Marc Jones Director of Function – Resources / Section 151 Officer Cllr Robin Williams Cllr Ieuan Williams		The Executive 14 February 2023	
February / March 2023 - Dates of meetings subject to Welsh Government timescale						
11	Revenue Budget Monitoring Report – Quarter 3, 2022/23 (S) Quarterly financial monitoring report.	Resources	Marc Jones Director of Function– Resources / Section 151 Officer Cllr Robin Williams	Finance Scrutiny Panel 12 January 2023	The Executive	
12	Capital Budget Monitoring Report – Quarter 3, 2022/23 (S) Quarterly financial monitoring report.	Resources	Marc Jones Director of Function– Resources / Section 151 Officer Cllr Robin Williams	Finance Scrutiny Panel 12 January 2023	The Executive	

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The Executive's Forward Work Programme

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Updated 15 November 2022

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13	Housing Revenue Account Budget Monitoring Report – Quarter 3, 2022/23 (S) Quarterly financial monitoring report.	This is a matter for the full Executive as it provides assurance of current financial position across the Council.	Resources	Marc Jones Director of Function– Resources / Section 151 Officer Cllr Robin Williams	Finance Scrutiny Panel 12 January 2023	The Executive	
14	Treasury Management Strategy Statement 2023/24 Adoption of strategy for the new financial year.		Resources	Marc Jones Director of Function– Resources / Section 151 Officer Cllr Robin Williams	Finance Scrutiny Panel – date to be confirmed (Governance and Audit Committee February 2023)	The Executive	Full Council
15	Community Based non-residential Social Care Services –2023/24 Fees and Charges .		Adults Services	Arwel Owen Head of Adults Services Cllr Alun Roberts	Finance Scrutiny Panel – date to be confirmed	The Executive	
16	Local Authority Homes for Older People – Setting the Standard Charge 2023/24		Adults Services	Arwel Owen Head of Adults Services Cllr Alun Roberts	Finance Scrutiny Panel – date to be confirmed	The Executive	

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The Executive's Forward Work Programme

Period: December 2022 – July 2023

Updated 15 November 2022

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17	Fees and Charges 2023/24	Resources	Marc Jones Director of Function– Resources / Section 151 Officer Cllr Robin Williams	Finance Scrutiny Panel – date to be confirmed	The Executive	
18	Independent Sector Care Home Fees 2023/24	Adults Services	Arwel Owen Head of Adults Services Cllr Alun Roberts	Finance Scrutiny Panel – date to be confirmed	The Executive	
19	Medium Term Financial Strategy and Budget 2023/24 (S) Adoption of final proposals for recommendation to the County Council.	Resources	Marc Jones Director of Function – Resources / Section 151 Officer Cllr Robin Williams	Finance Scrutiny Panel – date to be confirmed Corporate Scrutiny Committee – date to be confirmed	The Executive	Full Council
20	Capital Strategy and Capital Programme	Resources	Marc Jones Director of Function – Resources / Section 151 Officer Cllr Robin Williams	Finance Scrutiny Panel – date to be confirmed	The Executive	

Page 15

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The Executive's Forward Work Programme

Period: December 2022 – July 2023

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21	Capital Budget 2023/24	Resources	Marc Jones Director of Function – Resources / Section 151 Officer Cllr Robin Williams	Finance Scrutiny Panel / Corporate Scrutiny Committee – dates to be confirmed	The Executive	
March 2023						
22	Annual Equality Report 2021/22	Equality and Diversity Portfolio Holder	Council Business Lynn Ball Director of Function – Council Business / Monitoring Officer Cllr Llinos Medi	Partnership and Regeneration Scrutiny Committee 15 March 2023	Delegated Decision March 2023	
23	The Executive's Forward Work Programme (S) Approval of monthly update.	The approval of the full Executive is sought to strengthen forward planning and accountability.	Council Business Rhys H Hughes Deputy Chief Executive (and Interim Head of Democratic Services) Cllr Llinos Medi		The Executive 21 March 2023	
24	Corporate Scorecard – Quarter 3, 2022/23 (S) Quarterly performance monitoring report.	This is a matter for the full Executive as it provides assurance of current performance across the Council.	Corporate Transformation Carys Edwards Head of Profession – HR and Transformation Cllr Robin Williams	Corporate Scrutiny Committee 14 March 2023	The Executive 21 March 2023	

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The Executive's Forward Work Programme

Period: December 2022 – July 2023

Updated 15 November 2022

Subject & *category and what decision is sought	Decision by which Portfolio Holder or, if a collective decision, why	Lead Service	Responsible Officer/ Lead Member & contact for representation	Pre-decision / Scrutiny (if applicable)	Date to Executive or, if delegated, date of publication	Date to Full Council (if applicable)
25	Housing Revenue Account (HRA) Business Plan	Housing	Ned Michael Head of Housing Services Cllr Alun Mummery	Finance Scrutiny Panel – date to be confirmed	The Executive 21 March 2023	
26	Social Services Improvement Programme Progress Report	Social Services	Fôn Roberts Director of Social Services Cllr Gary Pritchard Cllr Alun Roberts	Social Services Scrutiny Panel / Corporate Scrutiny Cttee 14 March 2023	The Executive 21 March 2023	
April 2023						
27	The Executive's Forward Work Programme (S) Approval of monthly update.	Council Business	Rhys H Hughes Deputy Chief Executive (and Interim Head of Democratic Services) Cllr Llinos Medi		The Executive 25 April 2023	
May 2023						
28	The Executive's Forward Work Programme (S) Approval of monthly update.	Council Business	Rhys H Hughes Deputy Chief Executive (and Interim Head of Democratic Services) Cllr Llinos Medi		The Executive May 2023	

* Key:

S = Strategic – key corporate plans or initiatives

O =Operational – service delivery

FI = For information

The Executive's Forward Work Programme

Period: December 2022 – July 2023

Updated 15 November 2022

Subject & *category and what decision is sought	Decision by which Portfolio Holder or, if a collective decision, why	Lead Service	Responsible Officer/ Lead Member & contact for representation	Pre-decision / Scrutiny (if applicable)	Date to Executive or, if delegated, date of publication	Date to Full Council (if applicable)
June 2023						
29	The Executive's Forward Work Programme (S) Approval of monthly update.	Council Business	Rhys H Hughes Deputy Chief Executive (and Interim Head of Democratic Services) Cllr Llinos Medi		The Executive June 2023	
30	Corporate Scorecard – Quarter 4, 2022/23 (S) Quarterly performance monitoring report.	Corporate Transformation	Carys Edwards Head of Profession – HR and Transformation Cllr Robin Williams	Corporate Scrutiny Committee – date to be confirmed	The Executive June 2023	
31	Revenue Budget Monitoring Report – Quarter 4, 2022/23 (S) Quarterly financial monitoring report.	Resources	Marc Jones Director of Function– Resources / Section 151 Officer Cllr Robin Williams	Finance Scrutiny Panel – date to be confirmed	The Executive June 2023	
32	Capital Budget Monitoring Report – Quarter 4, 2022/23 (S) Quarterly financial monitoring report.	Resources	Marc Jones Director of Function– Resources / Section 151 Officer Cllr Robin Williams	Finance Scrutiny Panel – date to be confirmed	The Executive June 2023	

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The Executive's Forward Work Programme

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	Subject & *category and what decision is sought	Decision by which Portfolio Holder or, if a collective decision, why	Lead Service	Responsible Officer/ Lead Member & contact for representation	Pre-decision / Scrutiny (if applicable)	Date to Executive or, if delegated, date of publication	Date to Full Council (if applicable)
33	Housing Revenue Account Budget Monitoring Report – Quarter 4, 2022/23 (S) Quarterly financial monitoring report.	This is a matter for the full Executive as it provides assurance of current financial position across the Council.	Resources	Marc Jones Director of Function– Resources / Section 151 Officer Cllr Robin Williams	Finance Scrutiny Panel – date to be confirmed	The Executive June 2023	
July 2023							
34	The Executive's Forward Work Programme (S) Approval of monthly update.	The approval of the full Executive is sought to strengthen forward planning and accountability.	Council Business	Rhys H Hughes Deputy Chief Executive (and Interim Head of Democratic Services) Cllr Llinos Medi		The Executive July 2023	

Page 19

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Isle of Anglesey County Council	
Report to:	EXECUTIVE COMMITTEE
Date:	29 th NOVEMBER 2022
Subject:	SCORECARD MONITORING REPORT - QUARTER 2 (2022/23)
Portfolio Holder(s):	COUNCILLOR ROBIN W WILLIAMS
Head of Service / Director:	CARYS EDWARDS
Report Author:	GETHIN MORGAN
Tel:	01248 752111
E-mail:	GethinMorgan@anglesey.gov.uk
Local Members:	n/a

A –Recommendation/s and reason/s	
1.1	This is the second scorecard report of 2022/23. It portrays the position of the Council against its wellbeing objectives.
1.2	The report highlights some of the positive stories with respect to the quarter 2 performance. Some of these highlights include: <ul style="list-style-type: none"> • The percentage of households (with children) prevented from becoming homeless • The average number of calendar days to let lettable units of accommodation • The Adult Services indicators all being above target for the quarter • Rate of Staff absence
1.3	This is a positive story at the end of Q2. Whilst this is encouraging, it is important to note that there are decreasing trends appearing against a number of performance related indicators especially in relation to Wellbeing Objective 2. Particular attention will need to be given to those indicators and the associated processes and work-streams as we move into the colder months of the year with ever increasing fuel and food poverty within our communities as well as the increasing cost of living for all.
1.4	The committee is asked to accept the mitigation measure outlined above.

B – What other options did you consider and why did you reject them and/or opt for this option?
n/a

C – Why is this a decision for the Executive?
This matter is delegated to the Executive

Ch – Is this decision consistent with policy approved by the full Council?
Yes

D – Is this decision within the budget approved by the Council?
Yes

Dd – Assessing the potential impact (if relevant):	
1	<p>How does this decision impact on our long term needs as an Island?</p> <p>The Corporate Scorecard Report gives a snapshot of the KPI performance against the Council Plan’s 3 objectives at the end of each quarter.</p> <p>All 3 objectives, below, consider the long term needs of the Island</p> <ol style="list-style-type: none"> 1. Ensure that the people of Anglesey can thrive and realise their long term potential 2. Support vulnerable adults and families to keep them safe, healthy and as independent as possible 3. Work in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment <p>The measurement of the KPIs against each objective demonstrates how decisions are making an impact on our current performance.</p>
2	<p>Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?</p> <p>Performance of some KPIs could potentially have an impact on future costs however mitigation measures proposed looks to alleviate these pressures.</p>
3	<p>Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.</p> <p>Elements of the work monitored within the Scorecard is undertaken in a collaborative manner with other organisations such as Betsi Cadwaladr University Health Board, Welsh Government, Keep Wales Tidy, Careers Wales, Sports Wales, GWE, amongst others.</p>
4	<p>Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.</p> <p>N/A</p>
5	<p>Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.</p> <p>N/A</p>
6	<p>If this is a strategic decision, note any potential impact that the decision would</p> <p>N/A</p>

Dd – Assessing the potential impact (if relevant):		
	have on those 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.	N/A

E – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	This was considered by the Leadership Team and their comments are reflected in the report
2	Finance / Section 151 (mandatory)	Comments reflected in the report
3	Legal / Monitoring Officer (mandatory)	Comments reflected in the report
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Procurement	
8	Scrutiny	Was considered by Corporate Scrutiny on the 22/11. The Committee Chairman will feedback in this meeting.
9	Local Members	

F - Appendices:
Appendix A - Scorecard Quarter 2

Ff - Background papers (please contact the author of the Report for any further information):
<ul style="list-style-type: none"> • 2022/23 Scorecard Monitoring Report - Quarter 1 (as presented to, and accepted by, the Executive Committee in September 2022). • Transitional Plan 2022-23 • Council Plan 2017-2022

SCORECARD MONITORING REPORT – QUARTER 2 (2022/23)

1. INTRODUCTION

- 1.1 The Isle of Anglesey County Council have arrangements in place which allow us to effectively understand local needs and priorities, and to make the best use of our resources and capacity to meet them and evaluate the impact of our actions.
- 1.2 Our Transitional Plan for 2022/23 identifies the local needs and wellbeing priorities and sets out our aims for the period until the new Council Plan 2023-2028 is adopted later in this financial year.
- 1.3 This scorecard monitoring report is used to monitor the performance of our identified Key Performance Indicators (KPIs). It consists of a combination of locally and nationally set indicators. It highlights how we are delivering the Councils' day to day activities. It provides the intelligence which enables a proactive approach to be adopted regarding performance management and as such, the report identifies any mitigating actions agreed by the Leadership Team to drive and secure improvements into the future.
- 1.4 The scorecard (appendix 1) portrays the current end of Q2 position and will (together with this report) be considered further by the Corporate Scrutiny Committee and the Executive during November of 2022.

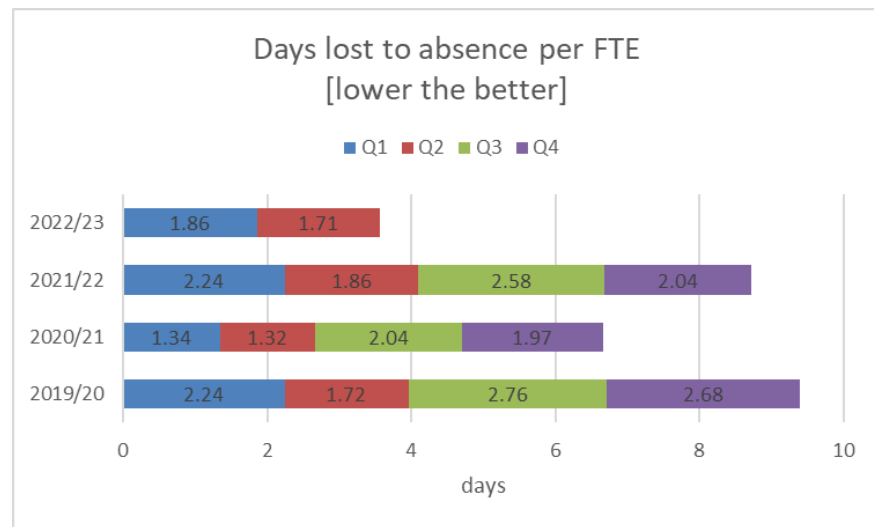
2. CONTEXT

- 2.1 The performance monitoring KPIs are aligned to the Councils' current three wellbeing objectives. They will be further developed and aligned to the new Council Plan 2023-28 when it's adopted later in the year:
 - Objective 1 - Ensure that the people of Anglesey can thrive and realise their long-term potential
 - Objective 2 - Support vulnerable adults and families to keep them safe, healthy and as independent as possible
 - Objective 3 - Work in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment
- 2.2 It is not possible to publish information for all KPIs on the Scorecard on a quarterly basis due to the nature of data collection methods. When this is the case, a note will indicate how often the KPI is monitored and when the data will be available for collection, e.g. (annual) (Q4), (termly) (Q3).
- 2.3 Any targets within the report are reviewed annually and are agreed upon with each service, including differing quarterly targets where required based on historical performance and trends.
- 2.4 The results within the scorecard are all cumulative and as such the trends column will inform the performance trends from quarter to quarter throughout the year.

3. CORPORATE HEALTH PERFORMANCE

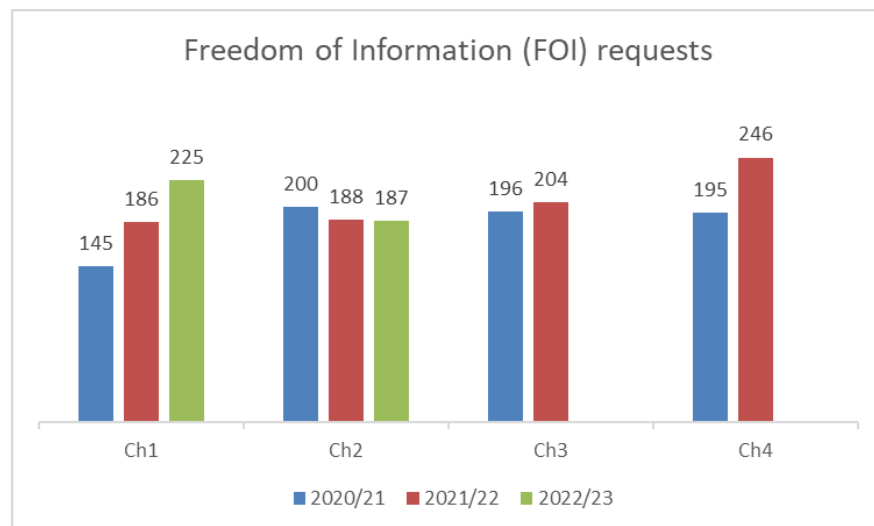
3.1 The majority (90%) of the indicators with targets monitored in this section are performing well against targets (Green or Yellow RAG). Some of the highlights are noted below.

3.2 At the end of Q2 the Council is GREEN against its target with 3.60 days lost to absence per FTE in the period against a target of 3.81 days lost to absence per FTE. This performance is an improvement on last year's performance during the same period and compares well with the last three years as is demonstrated by the following graph.



3.2.1 The indicators currently monitored within the Customer Service section do not highlight any major cause for concern as the indicators are performing well against targets on the whole.

3.2.1.1 Whilst this is positive, we also acknowledge that further work is needed with regards to indicator 09 – the % of FOI requests responded to within timescale – which demonstrates that 72.1% of the responses were within timescale against a target of 80%. This performance is an improvement on the 66.6% demonstrated in the Q1 scorecard report.



- 3.3 The financial management section currently forecasts at the end of Q2 that there will be an underspend of £1.128m for the year ending 31 March 2023. There are a number of areas of concern which may not be apparent from this headline figure which highlights risks in respect to the Council's financial position going forward.
- 3.4 The main areas of concern relate to:-
- 3.4.1 The fact that the pay offer is significantly higher than allowed for in the budget and are not reflected in the current projection. Although an earmarked reserve is in place which will offset a large part of the additional cost, it may still not be sufficient to meet the overall additional cost. The increased cost also has to be allowed for in the base budget for 2023/24, in addition to the pay award for 2023/24.
- 3.4.2 The position in respect of Social Care is of particular concern, with a forecast overspend of £1.361m for Adults and Children's Services. However, the true position is masked by the fact that additional grants and reserves are being used to reduce the overspend. The true position is that the services will overspend by around £3.5m to £4m. This is based on the current level of demand. Any increase in the demand for services will only worsen the position.
- 3.4.3 The cost of living issues will ultimately result in an increase in the demand for Council services (Homelessness, Debt Advice, Mental Health Support, Children's Service) and may lead to a reduction in income in services such as leisure, culture, planning, parking fees as people reduce their spending on non-essential items. These potential changes in demand for services may have a negative impact on the Council's financial position.
- 3.5 The financial position in 2022/23 will also influence the Council's financial strategy for 2023/24 and beyond, as it will highlight the need to realign budgets to reflect the increases in costs seen in 2022/23 and to reflect the changing demand for services. Any significant overspending will also result in an erosion of the Council's earmarked reserves and general balances and this will reduce the ability to use reserves and balances to help to balance the revenue budget in 2023/24
- 3.6 The forecast underspend on the Capital Programme for 2021/22 is £6.219m, with this being potential slippage into the 2023/24 Capital Programme. The funding for this slippage will also slip into 2023/24 and will be factored in when producing the Treasury Management Strategy Statement, Capital Strategy and Capital Programme for 2023/24.
- 3.7 Further information on financial management can be seen in the 'Revenue Budget Monitoring Report for Q2', the 'Capital Budget Monitoring for Q2' and the 'Housing Revenue Account Budget Monitoring for Q2' reports which will be discussed in The Executive meeting on the 29th November.
- 3.8 This demonstrates reasonable assurance can be provided through the use of the scorecards analysis that the Council's day to day activities in managing its

- people
- finances and
- serving its customers

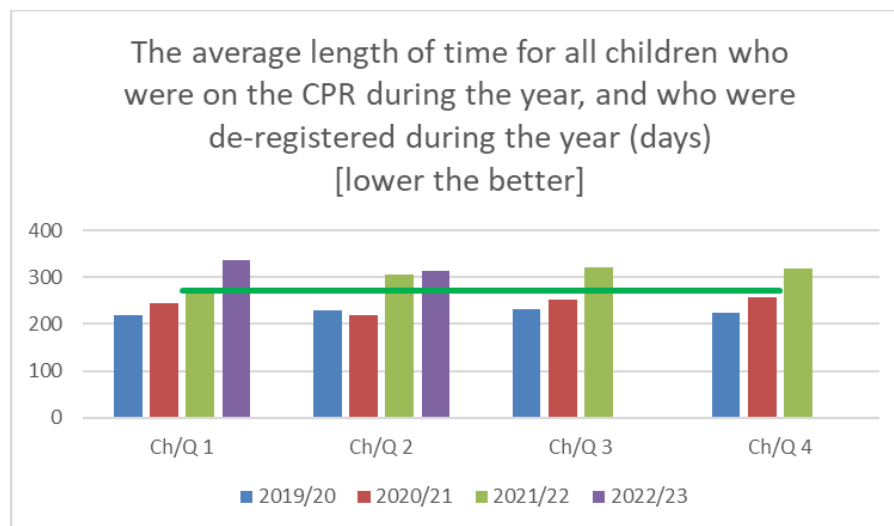
are delivering against their expectation to a standard which is appropriate.

It also provides the basis and the evidence of a good performance management ethos which is reflected in the fact that the indicators from that perspective are also demonstrating satisfactory performance.

4. PERFORMANCE MANAGEMENT

- 4.1 At the end of Q2 it is encouraging to note that the majority (94%) of the performance indicators are performing above target or within 5% tolerance of their targets. Two indicators have underperformed against their targets in Q2 and these are highlighted on the scorecard as being Red or Amber.
- 4.2 All indicators related to our wellbeing **Objective 1** where we are working to ensure that the people of Anglesey can thrive and realise their long-term potential, are performing at a green level against their targets.
- 4.3 Some examples of the good performance within this objective seen during the quarter include:
- 4.3.1 Indicator 7 – Number of visits to Leisure Centres – which has a performance of 261k compared to a target of 253k. This is an improvement on the performance demonstrated pre pandemic during Q2 2019-20 where 244k visits were recorded during the period.
- 4.3.2 Indicator 11 – Number of empty properties brought back into use – where 40 properties have been brought back into use against a target of 25. Once again the use of the Council Tax Premium has proved fruitful here and it's positive that there are 40 less empty properties within our communities.
- 4.3.3 Indicator 10 – Percentage of NERS clients whose health had improved on completion of the exercise programme – where 81.5% of clients believed that the programme has made a positive impact on their health. This was an improvement from the 75% demonstrated at the end of Q1 2022/23.
- 4.4 Indicators for wellbeing **Objective 2** where we are supporting vulnerable adults and families to keep them safe, healthy and as independent as possible are also performing well against their targets with only one of the indicators underperforming.
- 4.5 It is imperative to note however, whilst performance against targets on the whole are green or yellow, 60% of the associated trends are decreasing. Particular attention will need to be given to those indicators and the associated processes and work-streams as we move into the colder months of the year with ever increasing fuel and food poverty within our communities as well as the increasing cost of living for all.

- 4.5.1 Indicator 23 - The average length of time for all children who were on the CPR during the year, and who were de-registered during the year – is RED with a performance of 312 days against a target of 270 days. The performance is an improvement on the 337 seen at the end of Q1 and a slight improvement on the 318 reported at the end of 2021/22.



This indicator calculates those children who have been removed from the child protection within the last twelve months on a rolling basis. There are 34 children currently in this cohort and the average number of days they were on the register range from 84 days to 834 days.

There are 48 children who remain on the CPR and the average number of days on the register is 189, ranging from 3 days to 848 days.

It is believed that an alternative indicator, namely the average length of time for all children spent on the child protection register (CPR) should be included alongside this indicator. This new indicator will be used to manage the current indicator's performance which should lead to improved performance in both indicators over time.

- 4.6 As noted (4.4), of those indicators which are performing well, examples are drawn of the good performance seen during the quarter. These include:
- 4.6.1 The Adult Services indicators (Indicators 16 to 19) are all Green against targets once again for the quarter.
 - 4.6.2 The Homelessness indicators (Indicators 26 + 27) for the Housing Service have also demonstrated good performance with both Green against targets for the quarter.
- 4.7 Point to note - the percentage of child assessments completed in time (indicator 20) which was reported in the Q1 scorecard report as being 78.02% and Red against target. Following an error in the calculation of the indicator, the performance of this indicator has now been corrected to 87.9% and

Yellow for Q1. This indicator has improved during Q2 where a performance of 89.24% was recorded, slightly below the target of 90%.

4.8 The performance of indicators to monitor our wellbeing **Objective 3** where we work in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment has also been good with 70% above target.

4.9 The indicators that have performed well in the quarter include:

4.9.1 A number of waste management indicators (Indicator 31, 33 and 34) are Green against targets during the year. 96% of our streets surveyed in the quarter were clean of any waste, an increase on the 95% recorded in Q1. Residents recycled more in Q2 than in Q1 as historical intelligence would demonstrate. Whilst positive, people’s assistance in recycling more is essential if the Island is to reach its recycling target of 70% by 2025.

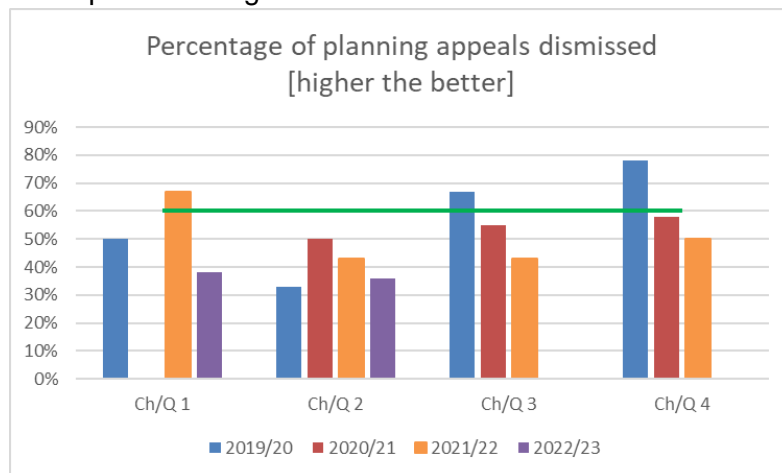
4.10 Following comments from the Corporate Scrutiny committee and the Executive Committee in 2021/22, the annual target for indicator 32 (the percentage of waste reused, recycled or composted) is now 64% which is in line with the Welsh Government’s statutory target.

This target is expected to rise during 2023/24 in order to meet statutory expectations. To that end, we are working together with WRAP Cymru to identify the improvements and changes needed to meet the national target of 70% by 2025.

Note that the target for this indicator changes from quarter to quarter based on the historical performance of the indicator (see 2.3 above) e.g. more waste is expected to be collected in quarter 1 and 2 compared to quarter 3 and 4 and therefore the targets reflect this.

4.11 The only indicator which is underperforming during this quarter is:

4.11.1 Indicator 36 – the percentage of planning appeals dismissed – with a performance of 36% against a target of 65%. This is a decline on the same period during 2021/22 where 43% were dismissed.



A very similar picture to what was reported in the Q1 Scorecard report can be seen for this indicator. This indicator relates to a small number of planning appeals, the number of which can fluctuate greatly from one quarter to the next. One of the three appeals during the quarter was dismissed resulting in a total of four out of the eleven appeals being dismissed for the year so far.

The Council continues to ensure that planning decisions are 'robust' and well-founded, however the Council has no influence over an appeal decision. We will continue to monitor appeal decisions on similar applications to identify if a pattern is developing that would require a different interpretation of our policies.

5. RECOMMENDATIONS

5.1 The report highlights some of the positive stories with respect to the quarter 2 performance. Some of these highlights include:

- The percentage of households (with children) prevented from becoming homeless
- The average number of calendar days to let lettable units of accommodation
- The Adult Services indicators all being above target for the quarter
- Rate of Staff absence

5.2 This is a positive story at the end of Q2. Whilst this is encouraging, it is important to note that there are decreasing trends appearing against a number of performance related indicators especially in relation to Wellbeing Objective 2. Particular attention will need to be given to those indicators and the associated processes and work-streams as we move into the colder months of the year with ever increasing fuel and food poverty within our communities as well as the increasing cost of living for all.

5.3 The committee is asked to accept the mitigation measures outlined above.

6. GLOSSARY

6.1 Below is a list of acronyms used within the report and Scorecard

- 6.1.1 KPI – Key Performance Indicator
- 6.1.2 Q1 – Quarter 1
- 6.1.3 Q2 – Quarter 2
- 6.1.4 Q3 – Quarter 3
- 6.1.5 Q4 – Quarter 4
- 6.1.6 RAG Status - Red - more than 10% below target and/or needing significant intervention
Amber - between 5% & 10% below target and/or requiring some intervention
Yellow - within 5% of target
Green - on or above target

- 6.1.7 Trend - Trend arrows represent quarter on quarter performance
- 6.1.8 FTE – Full Time Equivalent
- 6.1.9 FOI – Freedom of information
- 6.1.10 HRA – Housing Revenue Account
- 6.1.11 NEET – Not in Education, Employment or Training
- 6.1.12 DTL – Difficult to Let
- 6.1.13 NERS – National Exercise Referral Scheme
- 6.1.14 CPR – Child Protection Register
- 6.1.15 IOACC – Isle of Anglesey County Council

Appendix A - Cerdyn Sgorio Corfforaethol - Corporate Scorecard Ch-Q2 2021/22

Rheoli Perfformiad / Performance Management	CAG / RAG	Tuedd / Trend	Canlyniad / Actual	Targed / Target	Targed BI / Yr Target	Canlyniad 21/22 Result	Canlyniad 20/21 Result
Objective 1 - Ensure that the people of Anglesey can thrive and realise their long-term potential							
1) Percentage of pupil attendance in primary schools (tymhorol) (Q3)						-	-
2) Percentage of pupil attendance in secondary schools (termly) (Q3)						-	-
3) Percentage of Year 11 leavers not in Education, Training or Employment [NEET] (annual) (Q4)						2.60%	4.2%
4) Percentage of pupils assessed in Welsh at the end of the Foundation Phase (annual) (Q3)						-	-
5) Percentage of year 11 pupils studying Welsh [first language] (annual) (Q4)						68%	-
6) Percentage of Quality Indicators (with targets) achieved by the library service (annual) (Q3)						-	-
7) Number of visits to leisure centres	Gwyrdd / Green	↑	261k	253k	546k	388k	189k
8) Percentage of food establishments that meet food hygiene standards	Gwyrdd / Green	⇒	98%	95%	95%	98%	98%
9) Percentage of NERS clients who completed the exercise programme	Gwyrdd / Green	↓	66.50%	50%	50%	47.5%	-
10) Percentage of NERS clients whose health had improved on completion of the exercise programme	Gwyrdd / Green	↑	81.50%	80%	80%	84%	-
11) Number of empty private properties brought back into use	Gwyrdd / Green	↑	40	25	50	91	94
12) Number of new homes created as a result of bringing empty properties back into use			1	1	3	1	9
13) Landlord Services: Average number of days to complete repairs	Gwyrdd / Green	↓	11.43	18	18	13.89	8.1
14) Percentage of tenants satisfied with responsive repairs (annual) (Q4) [Local Indicator]						-	-
Objective 2 - Support vulnerable adults and families to keep them safe, healthy and as independent as possible							
15) Rate of people kept in hospital while waiting for social care per 1,000 population aged 75+ (Q3)						-	-
16) The percentage of adult protection enquiries completed within statutory timescales	Gwyrdd / Green	↓	90.85%	90%	90%	94.78%	92.31%
17) The percentage of adults who completed a period of reablement and have no package of care and support 6 months later	Gwyrdd / Green	↑	63.83%	62%	62%	64.85%	60.36%
18) The rate of older people (aged 65 or over) whom the authority supports in care homes per 1,000 population aged 65 or over at 31 March [Local Indicator]	Gwyrdd / Green	↓	16.69	19	19	14.33	15.36
19) The percentage of carers of adults who requested an assessment or review that had an assessment or review in their own right during the year	Gwyrdd / Green	↑	94.20%	93%	93%	96.10%	98.20%
20) Percentage of child assessments completed in time	Melyn / Yellow	↑	89.24%	90%	90%	87.15%	86.87%
21) Percentage of children in care who had to move 3 or more times	Gwyrdd / Green	↓	4.67%	5.00%	10%	9.79%	12.34%
22) The percentage of referrals of children that are re-referrals within 12 months [Local Indicator]	Melyn / Yellow	↓	18.95%	15%	15%	5.74%	32.00%
23) The average length of time for all children who were on the CPR during the year, and who were de-registered during the year (days)	Coch / Red	↑	312	270	270	318	258
24) The percentage of referrals during the year on which a decision was made within 1 working day	Gwyrdd / Green	↑	98.89%	95%	95%	99.10%	99.56%
25) The percentage of statutory visits to looked after children due in the year that took place in accordance with regulations	Melyn / Yellow	↑	87.65%	90%	90%	85.99%	87.74%
26) Percentage of households successfully prevented from becoming homeless	Gwyrdd / Green	↓	88.34%	80%	80%	80.95%	74.74%
27) Percentage of households (with children) successfully prevented from becoming homeless	Gwyrdd / Green	↓	95.00%	85%	85%	92.00%	75.47%
28) Average number of calendar days taken to deliver a Disabled Facilities Grant	Melyn / Yellow	↓	173	170	170	172.3	169
29) The average number of calendar days to let lettable units of accommodation (excluding DTLs)	Gwyrdd / Green	↓	30.3	40	40	28.7	45.6
30) Landlord Services: Percentage of rent lost due to properties being empty	Melyn / Yellow	↓	1.83%	1.70%	1.70%	1.66%	1.98%
Objective 3 - Work in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment							
31) Percentage of streets that are clean	Gwyrdd / Green	↑	96%	95%	95%	95.50%	92.00%
32) Percentage of waste reused, recycled or composted	Melyn / Yellow	↓	65.18%	66%	64%	62.39%	62.96%
33) Average number of working days taken to clear fly-tipping incidents	Gwyrdd / Green	⇒	1	1	1	0.25	0.95
34) Kilograms of residual waste generated per person	Gwyrdd / Green	↓	106kg	110kg	220kg	223kg	214kg
35) Percentage of all planning applications determined in time	Melyn / Yellow	↓	85%	90%	90%	79%	79%
36) Percentage of planning appeals dismissed	Coch / Red	↓	36%	65%	65%	50%	58%
37) Percentage of planning enforcement cases investigated within 84 days	Gwyrdd / Green	↓	90%	80%	80%	84%	74%
38) Percentage of A roads in poor condition (annual)	Gwyrdd / Green	↑	2.6%	3%	3%	3%	4.60%
39) Percentage of B roads in poor condition (annual)	Gwyrdd / Green	↑	2.6%	4%	4%	2.80%	3.80%
40) Percentage of C roads in poor condition (annual)	Gwyrdd / Green	↑	7.6%	9%	9%	8.20%	8.50%
41) Council fleet approx. consumption of fossil fuels (tCO2e)		↑	251.73			486.85	385
42) The number of miles travelled by the Council fleet (miles)		↓	843,416			1,524,961	1,254,419
43) The number of miles travelled by the Council Gray/Employee fleet (miles)		↑	451,696			786,247	-
44) Net change in Greenhouse Gas Emissions (tCO2e) - Council fleet (Annual) (%)						+ 26%	-

Red - more than 10% below target and/or needing significant intervention Amber - between 5% & 10% below target and/or requiring some intervention
 Yellow - within 5% of target Green - on or above target Trend arrows represent quarter on quarter performance All above indicators are reported Nationally unless stated otherwise

Appendix A - Cerdyn Sgorio Corfforaethol - Corporate Scorecard Ch-Q2 2022/23

Gofal Cwsmer / Customer Service	CAG / RAG	Tuedd / Trend	Canlyniad / Actual	Targed / Target	Canlyniad 21/22 Result	Canlyniad 20/21 Result
Siarter Gofal Cwsmer / Customer Service Charter						
01) No of Complaints received (excluding Social Services)	Gwyrdd / Green	↑	25	33	55	43
02) No of Stage 2 Complaints received for Social Services			2	-	9	6
03) Total number of complaints upheld / partially upheld			5	-	20	8
04) Total % of written responses to complaints within 20 days (Corporate)	Gwyrdd / Green	↑	87%	80%	80%	88%
05) Total % of written responses to complaints within 15 days (Social Services)	Gwyrdd / Green	↑	80%	80%	66%	75%
06) Number of Stage 1 Complaints for Social Services		↓	11	-	41	24
07) Number of concerns (excluding Social Services)		↓	176	-	189	104
08) Number of Compliments		↑	217	-	658	662
09) % of FOI requests responded to within timescale	Coch / Red	↑	72%	80%	79%	79.4%
Newid Cyfrwng Digidol / Digital Service Shift						
10) No of Registered Users on AppMôn / Website		↑	56k	-	51k	33.5k
11) No of reports received by AppMôn / Website		↑	21k	-	66k	58k
12) No of web payments		↓	11.5k	-	21k	18.5k
13) No of telephone payments		↓	4.5k	-	11k	7k
14) No of 'followers' of IOACC Social Media		↑	98k	-	92k	42k
15) No of visitors to the Council Website		↑	124k	-	-	-

Rheoli Pobl / People Management	CAG / RAG	Tuedd / Trend	Canlyniad / Actual	Targed / Target	Canlyniad 21/22 Result	Canlyniad 20/21 Result
01) Number of staff authority wide, including teachers and school based staff (FTE)			2239	-	2202	2180
02) Sickness absence - average working days/shifts lost	Gwyrdd / Green	↓	3.6	3.81	8.73	6.68
03) Short Term sickness - average working days/shifts lost per FTE			1.47	-	3.70	1.94
04) Long Term sickness - average working days/shifts lost per FTE			2.12	-	5.03	4.74
05) Local Authority employees leaving (%) (Turnover) (Annual) (Q4)				-	10%	6%

Rheolaeth Ariannol / Financial Management	CAG / RAG	Tuedd / Trend	Cyllideb / Budget	Canlyniad / Actual	Amrywiad / Variance (%)	Rhagolygon o'r Gwariant / Forcasted Actual	Amrywiad a Ragwelir / Forcasted Variance (%)
01) Budget v Actuals	Gwyrdd / Green	↑	£70,621,000	£69,375,000	-1.76%		
02) Forecasted end of year outturn (Revenue)	Melyn / Yellow	↓	£158,367,000			£158,479,000	0.07%
03) Forecasted end of year outturn (Capital)		↓	£36,691,000			£34,068,000	-7.15%
04) Income v Targets (excluding grants)	Gwyrdd / Green	↑	-£6,467,570	-£7,420,135	14.73%		
05) Amount borrowed		↓	£12,052,000			£10,310,000	-14.45%
06) Cost of borrowing		↑	£4,152,796			£4,037,067	-2.79%
07) % of Council Tax collected (for last 3 years)	Melyn / Yellow	↑		98.31%			
08) % of Business Rates collected (for last 3 years)	Gwyrdd / Green	↑		98.95%			
09) % Housing Rent collected (for the last 3 years)	Melyn / Yellow	↓		100.1%			
10) % Housing Rent collected excl benefit payments (for the last 3 years)	Melyn / Yellow	↓		100.5%			

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	EXECUTIVE
Date:	29 NOVEMBER 2022
Subject:	ANNUAL TREASURY MANAGEMENT REVIEW FOR 2021/22
Portfolio Holder(s):	COUNCILLOR ROBIN WYN WILLIAMS – PORTFFOLIO HOLDER FINANCE, CORPORATE BUSINESS & CUSTOMER EXPERIENCE
Head of Service / Director:	R MARC JONES
Report Author: Tel: E-mail:	JEMMA ROBINSON 01248 752675 JemmaRobinson@ynysmon.llyw.cymru
Local Members:	n/a
A –Recommendation/s and reason/s	
<ul style="list-style-type: none"> To note that the outturn figures in the report will remain provisional until the audit of the 2021/22 Statement of Accounts is completed and signed off; any resulting significant adjustments to the figures included in the report will be reported as appropriate. To note the provisional 2021/22 prudential and treasury indicators in the report. Consider the Annual Treasury Management Report for 2021/22 and pass on to the next meeting of the full Council with any comments. 	
B – What other options did you consider and why did you reject them and/or opt for this option?	
n/a	
C – Why is this a decision for the Executive?	
<ul style="list-style-type: none"> To comply with regulations issued under the Local Government Act 2003 and with the Council's Treasury Management Scheme of Delegation for 2021/22 (Appendix 8 of the Treasury Management Strategy Statement 2021/22). In accordance with the Scheme of Delegation, this report was scrutinised by the Governance & Audit Committee on 21 September 2022. The report will be presented to the full Council once it has been accepted by this Committee. 	
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 – Who did you consult? What did they say?	
1	Chief Executive / Senior Leadership Team (SLT)(mandatory)
2	Finance / Section 151(mandatory) n/a – this is the Section 151 Officer's report
3	Legal / Monitoring Officer (mandatory)

4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Procurement	
8	Scrutiny	
9	Local Members	
10	Other	<p>The Governance & Audit Committee resolved to:-</p> <ul style="list-style-type: none"> • Note that the outturn figures in the report will remain provisional until the audit of the 2021/22 Statement of Accounts is completed and signed off; any resulting significant adjustments to the figures included in the report will be reported as appropriate. • Note the provisional 2021/22 prudential and treasury indicators in the report. • Consider the Treasury Management Annual Review report for 2021/22, and to recommend it to the full Council without comment.

E – Assessing the potential impact (if relevant)

1	How does this decision impact on our long term needs as an Island	
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-	
3	Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:	
4	Have Anglesey citizens played a part in drafting this way forward? Please explain how:-	
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010	
6	If this is a strategic decision, note any potential impact that the decision would have on those 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.	

F - Appendices:

Appendix A – Annual Treasury Management Review for 2021/22

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

- Treasury Management Strategy Statement 2021/22
- Prudential and Treasury Indicators 2021/22
- Treasury Management Mid-Year Review Report 2021/22
- Capital Outturn Report 2021/22

1. Introduction

The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2021/22. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2021/22, the minimum reporting requirements were that the full Council should receive the following reports:-

- an annual treasury strategy in advance of the year (received on 9 March 2021);
- a mid-year treasury update report (received on 10 March 2022);
- an annual review following the year describing the activity compared to the strategy (this report).

The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Governance & Audit Committee before they were reported to the full Council. Member training on treasury management issues was undertaken during the year 2019/20 financial in order to support members' scrutiny role and further training will take place in the 2022/23 financial year.

The Section 151 Officer confirms that borrowing was only taken out for capital purposes and the statutory borrowing limit (the authorised limit) was not breached.

Furthermore, the report sets out to the following outcomes in the financial year 2021/22:-

- External factors – including a review on the economy, the interest rate performance during the year and the impact of Covid 19;
- Internal factors – including the performance of capital expenditure, the impact on the reserves and cash balances, risk appetite to investments, the borrowing taken by the Council and the impact on the Capital Financing Requirement (CFR);
- The Treasury Management Strategy in 2021/22 – including the debt management of the council, the implementation on the new MRP policy, and the councils borrowing and investments during the year;
- Controlling Treasury Management – What are the Prudential Indicators and how are they measured;
- Comparison in Prudential Indicators – A comparison on the actual Prudential Indicators compared to the forecast at the beginning of the year;
- Looking forward to 2022/23 and beyond; and
- Conclusion.

2. A Review of the Year – External Factors

2.1 Interest Rates - After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16 December 2021, 0.50% at its meeting of 4 February 2022 and then to 0.75% in March 2022.

2.2 The Economy – United Kingdom - Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. The UK economy has endured several false dawns through 2021/22, but with most of the economy now opened up and nearly back to business-as-usual, the GDP numbers have been robust (9% y/y Q1 2022) and sufficient for the MPC to focus on tackling the second-round effects of inflation, now that the CPI measure has already risen to 6.2% and is likely to exceed 8% in April.

Gilt yields fell towards the back end of 2021, but despite the war in Ukraine gilt yields have shot higher in early 2022. At 1.38%, 2-year yields remain close to their recent 11-year high and 10-year yields of 1.65% are close to their recent six-year high. These rises have been part of a global trend as central banks have suggested they will continue to raise interest rates to contain inflation.

Historically, a further rise in US Treasury yields will probably drag UK gilt yields higher. There is a strong correlation between the two factors. However, the squeeze on real household disposable incomes arising from the 54% leap in April utilities prices as well as rises in council tax, water prices and many phone contract prices, are strong headwinds for any economy to deal with. In addition, from 1st April 2022, employees also pay 1.25% more in National Insurance tax. Consequently, inflation will be a bigger drag on real incomes in 2022 than in any year since records began in 1955.

Average inflation targeting - This was the major change in 2020/21 adopted by the Bank of England in terms of implementing its inflation target of 2%. The key addition to the Bank's forward guidance in August 2020 was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably". That mantra now seems very dated. Inflation is the "genie" that has escaped the bottle, and a perfect storm of supply side shortages, labour shortages, commodity price inflation, the impact of Russia's invasion of Ukraine and subsequent Western sanctions all point to inflation being at elevated levels until well into 2023.

3. A Review of the Year – Internal Factors

3.1 Capital Expenditure and financing 2021/22 - The Council undertakes capital expenditure on long-term assets. These activities may either be:-

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- Financed from borrowing: If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

	2021/22 Estimate (£'m)	2021/22 Actual (£'m)
General Fund capital expenditure	41	23
HRA capital expenditure	22	10
Total capital expenditure	63	33
General Fund financed in year by Grants & Contributions	24	17
HRA financed in year by Grants & Contributions	3	5
General Fund financed in year by Council Resources	4	2
HRA financed in year by Council Resources	18	4
General Fund capital expenditure financed by borrowing	12	5
HRA capital expenditure financed by borrowing	2	0

The main reason for the underspend was the large underspend against the projects listed below.

Scheme	Under spend £'m	Comment
Refurbishment of school buildings	1.847	In the latter part of 2021/22, the Authority was awarded £1.236m of additional grant funding for school Capital maintenance works. The grant funding was used to fund locally determined capital schemes in 2021/22, replacing funding from the Authority's own resources. The funding saved by the Authority from this grant will now be used to fund school Capital works in 2022/23
Free School Meals	0.547	In the latter part of 2021/22, the Authority was awarded £0.588m of additional grant funding for schools in relation to the preparation of the free school meals roll out. The grant funding was used to fund locally determined capital schemes in 2021/22, replacing funding from the Authority's own resources. The funding saved by the Authority from this grant will now be used to fund school Capital maintenance works in 2022/23
Sustainable Communities for Learning schemes	2.864	Progress has now been made for the final Band A scheme and works on site are progressing well. Tenders have been re-invited on the new Foundation Phase Unit at Ysgol y Graig. Updated matrix of funding has been received and 2022/23 budgets will reflect this.
Canolfan Addysg y Bont Roof	0.991	Delays in the appointment of a contractor to commence the roofing works before year end means this scheme will slip into FY 2022/23. This was anticipated in the quarter 3 capital monitoring report.
Tourism Gateway	1.340	The Breakwater Park Visitor Centre works were successfully re-tendered using a regional framework and a contractor is now in place, with works to upgrade the toilets and kiosk also now commissioned for delivery. This is an ongoing scheme with a new budget allocation in the 2022/23 capital programme.

Scheme	Underspend £'m	Comment
Various Flood schemes	2.262	Some schemes are ongoing and span across different financial years. Others have seen delays and time extensions for completion agreed by Welsh government to carry forward the funding.
Local Transport Fund – Infrastructure enhancements	0.673	Due to the nature of the works and lead time on delivery of infrastructure, time extension has been secured until July 2022.
Holyhead Regeneration (THI Phase II)	0.673	Various delays throughout the year meant projects did not progress at the pace originally intended, which resulted in such a large variance to budget. New budget allocation for 2022/23.
Penrhos Phase 2	1.130	Works on site are progressing and the scheme will slip into FY 2022/23.
Llangefni Gateway Units	0.872	Works on site are progressing and the scheme will slip into FY 2022/23 for completion anticipated in quarter 1.
Residential Site for Gypsies & Travellers	0.491	The initial tender prices received exceeded the funding available. Work is ongoing to redesign the scheme to reduce the costs in order to match the available funding.
IT Projects	0.281	Intentional underspend due to having to replace the main flash storage system in 22/23
Capital works to existing assets	0.369	Delays experienced on Plas Arthur projects due to the use of the site by Ysgol y Bont.
Leisure Improvements	0.189	Projects are in the pipeline and works are planned to continue in 2022/23, specifically at Plas Arthur.
Vehicles	0.274	A plan is being put in place to deliver electric vehicle charging points in the compound, however they have not yet been finalised and until finalisation is achieved, orders for electric vehicles have been postponed. Other vehicles have been ordered before year end, however due to the lead time in delivery, they will be received post year end and so the budget will be required to slip to financial year 2022/23.

3.2 Reserves and Cash balances - the Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's core cash resources comprised as follows:-

Usable Reserves and Provisions	Draft 31-Mar-22 £'m	Final 31-Mar-21 £'m
Council fund general reserve	12.050	11.437
Earmarked reserves	23.181	14.079
Housing Revenue Account (HRA) reserve	12.333	9.723
School reserves	7.827	3.974
Capital receipts Reserves	2.381	0.767
Total Usable Reserves	57.633	39.980
Provisions	5.143	5.047
Total Usable Reserves and Provisions	62.915	45.027

3.3 Externalisation of borrowing – The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. The CFR results from the capital activity of the Council and the resources utilised to pay for the capital spend. It represents the 2021/22 capital expenditure financed by borrowing, and prior years' capital expenditure funded by borrowing which has not yet been paid for by revenue or other resources. Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the Treasury Service organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board (PWLB) or the money markets), or utilising temporary cash resources within the Council. There was no externalisation of borrowing in 2021/22 financial year.

3.3.1 Gross borrowing and the CFR - In order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure.

The internal borrowing strategy has now been implemented over the last few years. The gross borrowing of £125.3m at 31 March 2022 is less than the forecast CFR for the following two years.

	Actual 2021/22 £'m	Estimated 2022/23 £'m	Estimated 2023/24 £'m
Capital Financing Requirement	137.8	151.5	161.2

3.3.2 Internal borrowing - is when over the medium term, the investment rates are expected to continue to be below long term borrowing rates. This means that value for money considerations would indicate that value could best be obtained by avoiding new external borrowing and by using internal cash balances to finance new capital expenditure, or to replace maturing external debt. This would maximise short term savings. The Internal borrowing figure is the difference between the CFR and the Gross Borrowing Position. As can be seen in the table below, at the beginning of the year the internal borrowing position was £12.1m. There were no new PWLB loans in the year and no principal repayments, with an interest free loan of £0.991m received in the year (as per 3.4 and 3.5 below). This has resulted in the Internal borrowing position at 31 March 2022 now being £12.5m:

	31 March 2021 Actual £'m	31 March 2022 Actual £'m
Gross borrowing position	124.5	125.3
CFR	136.6	137.8
(Underfunding) / overfunding of CFR	(12.1)	(12.5)

3.4 Other Borrowing- During the year, the Council did not enter into any other short-term borrowings. An interest free loan of £0.991m was received during 2021/22 to fund capital expenditure on energy saving projects and will be repaid in annual instalments.

3.5 Debt Repayments – There were no PWLB loans that matured during the year. There are no short term borrowings outstanding.

3.6 Investments – The expected investment strategy was to keep to shorter term deposits (up to 364 days) although the ability to invest out to longer periods was retained. Cash balances were expected to be up to £52m, ranging between £25m and £52m. The interest budget was set at £0.036m after adjusting for the estimated potential rate fall in 2021/22 at the time of producing the budget. As it turned out, average balances of £42.3m returned £0.019m at an average interest rate of 0.046%. Limited investments in other Local Authorities and interest rates dropping to below what was anticipated at the time of producing the budget contributed to this decrease in interest receivable. Investment returns remained close to zero for much of 2021/22. Most local authority lending managed to avoid negative rates and one feature of the year was the continued growth of inter local authority lending. The expectation for interest rates within the treasury management strategy for 2021/22 was that Bank Rate would remain at 0.1% until it was clear to the Bank of England that the emergency level of rates introduced at the start of the Covid-19 pandemic were no longer necessitated.

On 18 June 2021 a £5.0m investment with Flintshire County Council matured, and was repaid to Isle of Anglesey County Council. On 23 June 2021 the Isle of Anglesey County Council invested £5m with Flintshire County Council with an interest rate of 0.03%. This matured on 23 September 2021 and was repaid to Isle of Anglesey County Council.

Part of the Council's deposits were held in no notice deposit accounts which pay interest at rates near the prevailing base rate, £38.616m at 0.05% on 31 March 2022 (31 March 2021 £20.066m at 0.03%). There was one other short term investment as at 31 March 2022 - £7.5m at an interest rate of 0.77% (£5m at 0.15% as at 31 March 2021). All investments were for under 1 year.

3.7 Treasury Position at 31 March 2022 – The Council's debt and investment position is organised by the Treasury Management Service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity in accordance with the Treasury Management Strategy 2021/22. The upper limits for fixed rate and variable rate exposures were not breached during the year. The borrowing and investment figures for the Council as at the end of the 2020/21 and 2021/22 financial years are as follows:-

	31 MARCH 2021			31 MARCH 2022		
	£'m	Average Rate (%)	Average Maturity (years)	£'m	Average Rate (%)	Average Maturity (years)
Debt PWLB	121.9	4.59	30.57	121.9	4.58	29.58
Debt Non-PWLB	2.6	0	3.93	3.4	0	4.03
Total	124.5			125.3		
CFR	136.6			137.8		
Over / (under) borrowed	(12.1)			(12.5)		
Fixed term investments (all < 1 year, managed in house and fixed rate)	5.000	0.15		7.500	0.765	
No notice investments (all managed in house)	20.066	0.03		38.616	0.05	
Total Investments	25.066	0.06		46.116	0.17	

Borrowing is further broken down by maturity as:-

	31 MARCH 2021		31 MARCH 2022	
	£'m	% of total	£'m	% of total
Total borrowing	124.5	100	125.3	100
Under 12 months	0.3	0.2	2.7	2.2
1 – 3 years	5.1	4.1	3.4	2.7
4 – 6 years	4.5	3.6	4.5	3.6
7 – 10 years	4.8	3.9	4.9	3.9
10 years and above	109.8	88.2	109.8	87.6

There have been no new borrowings taken out in the year (long or short term) and debt repayments have been as described in point 3.5 above. Therefore, the movement in the categories above are simply as per the loan maturity dates.

4. The Council's Treasury Management Strategy in 2021/22

- 4.1 Debt rescheduling** - No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.
- 4.2 Borrowing in advance of need** – During the year, the Council did not borrow more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.
- 4.3 Investment Policy** – the Council's investment policy is governed by Welsh Government investment guidance, which has been implemented in the annual Treasury Management Strategy Statement approved by the Council on 09 March 2021. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.). The investment activity during the year conformed to the approved strategy and the Council had no liquidity difficulties. When the Council invests its surplus cash, the most important aspect of the investment is security, followed by liquidity and then the yield. This essentially means that the main priority is the safety of the cash, followed by how readily available the cash is should the Council require it followed by the percentage interest rate return that the Council will receive for the investment. The strategy on investing surplus cash would be to borrow short term with other Local Authorities to maximize returns in a secure way.
- 4.4 Borrowing strategy and control of interest rate risk** - During 2021/22, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were very low and minimising counterparty risk on placing investments also needed to be considered
- 4.5 MRP Policy** – In 2018/19 the Council implemented its new MRP policy after seeking advice from its Treasury advisors and consultation with External Audit. The new policy is a more prudent approach to charging Revenue for Capital Financing costs. The New policy can be seen in Appendix 6 of the Treasury Management Strategy Statement 2021/22 that was approved by full Council on 09 March 2021.

5. Controlling Treasury Management

The following Prudential indicators are contained in Appendix 11 of the Treasury Management Strategy Statement. See below a brief explanation of what the indicators are and how they are calculated. Section 6 of this report analyses the differences between the Actual and the forecast Prudential Indicators for 2021/22.

- **Capital Expenditure – Estimates of Capital Expenditure** - This is the forecast Capital Expenditure from 2021/22 to 2024/25, and is based on the Capital Programme for 2021/22 and the Capital Strategy for 2022/23.

- **The Council's borrowing need (the Capital Financing Requirement)** - Another prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR. The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life, and so charges the economic consumption of capital assets as they are used.
- **Prudence - Gross Debt and the CFR** - The Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.
- **External Debt - The authorised limit for external debt** - A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised. The S151 Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget report. The Authorised Limit is set annually in the Treasury Management Strategy Statement and is approved by full Council.
- **The operational boundary** - This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached. The Operational Limit is set annually in the Treasury Management Strategy Statement and is approved by full Council.
- **Affordability - Ratio of financing costs to net revenue stream** - This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

6. Prudential Indicators Actual vs Expected

- 6.1 During 2021/22, the Council complied with its legislative and regulatory requirements. The key data for actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:-

Data for actual prudential and treasury indicators	2020/21 Actual £'m	2021/22 Original £'m	2021/22 Actual £'m
Capital expenditure			
• Non-HRA	20.507	15.842	23.734
• HRA	12.622	20.313	9.723
• Total	33.129	36.155	33.457
Total Capital Financing Requirement:			
• Non-HRA	97.360	105.669	99.387
• HRA	39.200	40.415	38.415
• Total	136.560	146.084	137.802
Gross borrowing	124.524	140.991	125.349
External debt	124.524	140.991	125.349
Investments			
• Longer than 1 year	0	0	0
• Under 1 year	25.066	15.000	46.116
• Total	25.066	15.000	46.116
Financing costs as a proportion of net revenue stream – CF	4.75%	4.78%	4.55%
Financing costs as a proportion of net revenue stream – HRA	16.52%	9.63%	9.04%

6.2 The first Prudential Indicator in the above table is the Capital Expenditure. The forecast Capital Expenditure at the time of producing the Prudential indicators for 2021/22 was £36.155m. However, the actual expenditure was £33.457m. The prudential indicator was based on the capital budget approved for 2021/22 (£36.155m). However, this budget does not include any slippage amounts from the previous year and also that fact that throughout the year, additional schemes are added to the capital programme, hence why the Non-HRA capital expenditure is higher than was what originally budgeted for. Please refer to paragraph 3.1 in this report for the final Non-HRA capital budget compared with the actual expenditure and the reasons for the actual underspend against budget. The HRA capital expenditure is significantly underspent, mainly due to difficulty to procure houses at a price which meets investment criteria (budget assumed 15 former council houses would be purchased but only nine were purchased). Additionally three significant developments that were forecast to commence in 2021/22 suffered from delays in the process, and building contracts will not now be signed until the 2022/23 financial year.

6.3 The second Prudential indicator in the above table in the Capital Financing Requirement. The Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge called the Minimum Revenue Provision, MRP, to reduce the CFR. This is, effectively, a repayment of the borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR. The total CFR can also be reduced by:-

- the application of additional capital financing resources (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The forecast CFR at the time of producing the Prudential indicators for 2021/22 was £146.084m. However, the actual CFR was significantly lower at £137.802m. The reduction in the HRA CFR is due to the underspend against the HRA budget, meaning there was no borrowing in 2021/22 for HRA. One of the reasons for the reduced Non-HRA CFR was the reduced amount of Unsupported Borrowing needed in relation to the Sustainable Communities for Learning programme in 2021/22. The expenditure was mainly funded by grant, hence reducing the need for borrowing. Another reason was that additional grants were awarded during the year to subsidise other funding sources such as Supported Borrowing. This meant less Supported Borrowing was needed and therefore reducing the CFR figure. However, in future years, this subsidised funding source will be used to fund the Capital Expenditure in 2022/23 and will increase the CFR.

- 6.4** The Authorised Borrowing Limit (£183m) and the Operational Boundary (£178m) were not breached during the year, with the amount of External debt peaking at £125.362m only.
- 6.5** The Financing costs as a proportion of net revenue stream for the General Fund (4.55%) was very close to the anticipated total (4.78%) meaning this indicator performed as expected, and also in line with the prior year. The Financing costs as a proportion of net revenue stream for the HRA (9.04%) was below the anticipated total (9.63%) which is due to the financing costs being lower and the net revenue stream being also being lower than expected at the time of producing the proposed indicator for 2021/22. The underspend on HRA reduced the amount of Revenue contributions needed to fund the capital programme in 2021/22 from £17.9m to £4.3m.

7. Looking forward to 2022/23 and beyond

- 7.1** On 10 March 2022 the full Council approved the Treasury Management Strategy Statement for 2022/23. The Strategy Statement was based on the Capital Strategy and it is forecast that the Council will need to borrow an additional £14.7m in 2022/23 for the General Fund and HRA, a total of £14.4m in 2023/24 and a further total of £10.8m in 2024/25 to fund its Capital Programme. This additional borrowing will affect the General Fund with an increased Minimum Revenue Provision (MRP) being charged to fund the capital financing costs. In 2022/23 the forecast MRP is £4.2m, in 2023/24 £4.5m and £4.7m in 2024/25.
- 7.2** On 11 April 2022 the Isle of Anglesey County Council invested £10m with NatWest with an interest rate of 1.3%. The investment is for 6 months.
- 7.3** On 10 May 2022 the Isle of Anglesey County Council invested £7.5m with Santander with an interest rate of 1.47%. The investment is for 6 months.
- 7.4** On 17 May 2022 the Isle of Anglesey County Council invested £7.5m with Nationwide Building Society with an interest rate of 0.97%. The investment matured on 17 August 2022 and was rolled over for a further 3 months with an interest rate of 1.87%.
- 7.5** On 22 July 2022 a £7.5m investment with Goldman Sachs matured, and was rolled over for a further 5 months with an interest rate of 2.18%.
- 7.6** On 19 August 2022, a £1m borrowing from the PWLB was repaid by the Isle of Anglesey County Council. This loan was taken out on 03 July 2007 with an interest rate of 8.5%. There is a further £1.285m due to be repaid later in the 2022/23 financial year.

7.7 The interest receivable budget of £5k that was set for 2022/23 was based on the previous year's interest received, taking into account the low interest rates, limited investments in other Local Authorities and the fact investment returns remained at close to zero at the time of producing the interest receivable budget for 2022/23. However, with interest rates rising to above what was anticipated at the time of producing the 2022/23 budget and hence providing more opportunities for investment of surplus cash, interest received to quarter 1 of 2022/23 was £78k with a further £225k due to be received from existing investments, meaning the revised estimate of interest receivable for 2022/23 is £404k.

7.8 The latest interest rate forecast from Link Assets Services can be seen in the table below.

Link Group Interest Rate View	09.08.22												
	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
BANK RATE	2.25	2.50	2.75	2.75	2.75	2.50	2.50	2.25	2.25	2.25	2.25	2.25	2.00

8. Conclusion

The Council's Treasury Management performance during the year was in line with the strategy of low risk, low return investments and a planned approach to borrowing designed to minimise interest charges.

The performance against the Prudential Indicators set by the Council show that the Council's Treasury Management activities are being undertaken in a controlled way which ensure the financial security of the Council and do not place the Council at any significant financial risk in terms of unaffordable or excessive borrowing.

The Council's Treasury Management Strategy and its performance against the strategy take into account the external economic factors and it is constantly reviewed to ensure that it is the most appropriate strategy moving forward

R MARC JONES
DIRECTOR OF FUNCTION (RESOURCES) &
SECTION 151 OFFICER

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Isle of Anglesey County Council	
Report to:	EXECUTIVE
Date:	29 NOVEMBER 2022
Subject:	REVENUE BUDGET MONITORING, QUARTER 2 2022/23
Portfolio Holder(s):	COUNCILLOR ROBIN WYN WILLIAMS – PORTFFOLIO HOLDER FINANCE, CORPORATE BUSINESS & CUSTOMER EXPERIENCE
Head of Service / Director:	MARC JONES – DIRECTOR OF FUNCTION (RESOURCES)
Report Author:	CLAIRE KLIMASZEWSKI, FINANCE MANAGER
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Local Members:	N/A

A –Recommendation/s and reason/s

1. On 10 March 2022, the Council set a net budget for 2022/23 with net service expenditure of £158.365m, to be funded from Council Tax income, NDR and general grants. This includes a total for general and other contingencies amounting to £3.109m. The budget for the Council Tax Premium was increased by £0.436m, to £1.950m. A balanced budget was set with the agreed Council Tax rise of 2.00%.
2. As for the previous year, the budget for 2022/23 does not include any requirements on the services to make savings. The increase of 9.2% in funding from Welsh Government was a welcome increase, but did require the Council to commit to budget increases in a number of areas, including social care and homelessness. In addition, the support from Welsh Government in respect of Covid related expenditure ended and any such costs are funded from the Council's core budgets.

This report sets out the financial performance of the Council's services at the end of quarter 2, 30 September 2022. The projected position for the year as a whole is also summarised. It should be noted that predicting the final year-end position at the end of quarter 2 in a normal year is still difficult, the position can change considerably as we move through the remainder of the financial year. For 2022/23, predicting the final year end position is even more difficult because of increasing inflation, rising energy costs, the fact that the staff pay awards for 2022/23 were only agreed in early November 2022, the potential for Covid related costs as we move into the winter months and the impact the cost of living crisis will have on the demand for Council services. The estimated position at the end of the financial year does not take into account the proposed pay awards for teachers (from September 2022) and other staff (backdated to April 2022). Once these costs become known, they will be factored into future projections. An earmarked reserve of £2.2m has been created to provide additional funding to meet these inflationary pressures, but it may not be sufficient to fund all of the additional costs that the Council will be required to pay over the coming months. If costs exceed the level of the earmarked reserve, the additional sum will have to be funded from the Council's general balances.

3. In addition, these figures do not take into consideration winter pressures. Historically, winter pressures can be seen within the Highways and Adult services and it can be hard to quantify the full extent of extra costs which could be incurred this early in the financial year. However, in 2022/23, winter pressures will extend to other services as the cost of living crisis intensifies e.g. homelessness, financial support and debt advice. The full extent of the forecasts and costs will be noted in the quarter 3 and quarter 4 reports respectively.

The overall projected financial position for 2022/23, including Corporate Finance and the Council Tax fund, is a projected underspend of £1.128m. This is 0.71% of the Council's net budget for 2022/23. However, there is a significant amount of uncertainty over the final position due to the reasons noted in 2 and 3 above. In addition the projected underspend is after the Council has used over £3m of reserves to fund additional pressures in Social Care and to fund increased pay costs and other inflation and has received additional grant funding from Welsh Government to help with increasing Social Care costs.

4. Although the headline forecast figure suggests that the Council is currently in a healthy financial position in 2022/23, this is not a true reflection of the situation.
- Firstly, the additional costs (pay, and energy) need to be factored into the forecast;
 - Higher inflation will result in the Council facing higher prices during the second half of the year on the majority of goods and services bought;
 - The winter months historically increase costs and demands for services (Adult Services, Highway Maintenance and Homelessness Prevention);
 - The cost of living crisis is increasing the demand for Council services generally.

It is therefore highly probable that the forecast is overly optimistic and that the position at the end of the financial year will be closer to break even or possibly the budget will be overspent. The underlying position, after taking out the use of reserves and additional grant funding, is significantly worse with an underlying deficit of over £4m which will have to be addressed when setting the 2023/24 budget. This budget shortfall, in addition to continued high inflation, limited scope for additional funding and increased demand for services will make the setting of the budget for 2023/24 extremely challenging, with a real prospect of reductions in service budgets in order to allow the Council to set a balanced budget.

5. It is recommended:-

- (i) To note the position set out in Appendices A and B in respect of the Authority's financial performance to date and expected outturn for 2022/23;
- (ii) To note the summary of Contingency budgets for 2022/23, detailed in Appendix C;
- (iii) To note the monitoring of agency and consultancy costs for 2022/23 in Appendices CH and D.
- (iv) To approve transfer of the £100k underspend for increasing broadband in schools to an earmarked reserve to fund the broadband improvements in 2023/24 which have been delayed due to completion of proper procurement processes.

What other options did you consider and why did you reject them and/or opt for this option?

Not applicable

C – Why is this a decision for the Executive?

This matter is delegated to the Executive.

Ch – Is this decision consistent with policy approved by the full Council?

Yes

D – Is this decision within the budget approved by the Council?

Yes

Dd – Assessing the potential impact (if relevant):

1	How does this decision impact on our long term needs as an Island?	The report is for monitoring purposes only and is used along with other reports to set the medium term financial strategy and annual budget. In setting the annual budget, the impact on the long term needs of the Island will be assessed.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	Not applicable
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	Not applicable

4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	The citizens of Anglesey were consulted as part of the 2022/23 budget setting process and will be consulted on future budgets,
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	Not applicable
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	Not applicable
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.	Not applicable
E – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	The report has been considered by the Senior Leadership Team at its meeting on 7 November 2022 and the comments made 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 Senior Leadership Team
4	Human Resources (HR)	N/A
5	Property	N/A
6	Information Communication Technology (ICT)	N/A
7	Procurement	N/A
8	Scrutiny	The financial position at the end of quarter 1 was reviewed by the Finance Scrutiny Panel at its meeting on 10 November 2022.
9	Local Members	N/A
- Appendices:		
<ul style="list-style-type: none"> • Appendix A – Provisional Revenue Outturn Report for 2022/23 • Appendix B - Table of Provisional Outturn 2022/23 • Appendix C - Summary of Contingency Budgets position for 2022/23 • Appendix CH - Information regarding monitoring of Agency Staff 2022/23 • Appendix D - Information regarding monitoring of Consultants 2022/23 		
Ff - Background papers (please contact the author of the Report for any further information):		
2022/23 Revenue Budget (as recommended by this Committee on 1 March 2022 and adopted by the County Council on 10 March 2022).		

REVENUE BUDGET MONITORING – QUARTER 2

1. General Balance

The Council Fund held £23.181m of earmarked reserves and school reserves amounting to £7.827m at the start of the financial year. The draft outturn for 2021/22 resulted in a general balance at the start of the current financial year of £12.050m. This was an improvement on the opening balance for the previous year, 2020/21, where the general balance stood at £11.437m. The draft underspend of £4.798m contributed to this and movements in reserves, such as the return of earmarked reserves no longer needed. This may, however, be subject to change with any post-audit adjustments expected December 2022 or early in the new year.

The position of general balances at the end of the quarter is as follows:-

	Amount £'m	Purpose
Draft Opening Balance	(12.050)	Draft audited general reserve at 31 March 2022
Additional Funding for Highway Maintenance	0.500	As per Executive decision 3 March 2022
Transfer of funding to specific service reserves	0.261	As per Service Reserves policy approved in 2019/20
Revised Council Fund General Balance	(11.289)	Subject to change following audit of 21/22 Accounts

The current predicted outturn for 2022/23 is an estimated underspend of £1.128m which would result in the Council General Balance increasing to £12.417m by the year-end. The Executive set the minimum level of general balances at £7.9m, for 2022/23, which equates to 5% of the 2022/23 net revenue budget. The level of general balances above this figure provides a higher level of financial resilience, should the financial position worsen during the second half of the year and allows for the use of reserves, to help with the budget position in 2023/24 if required.

The Council has previously earmarked reserves for some of the known risks (winter highway maintenance, education out of county fees and in addition earmarked reserves were created at the end of the 2021/22 financial year to fund increased costs in Social Care (£1.1m) and the general level of inflation (£2.25m). The adequacy of these reserves are discussed later in this report, but their creation has helped to mitigate the risk of an overspend and the need to allocate general balances to fund the overspend at the end of the financial year.

2. Additional Budget Pressures During the Remainder of the Financial Year

The 2022/23 budget was set prior to the significant increase in the level of general inflation and the subsequent pressure to increase pay higher than the sum that was allowed for in the budget. An earmarked reserve of £2.25m was created to provide additional funding to meet rising costs, but this reserve may now be insufficient to meet the rising cost pressures, in particular pay.

The original budget allowed for approximately £2.3m to cover the pay awards for teaching and non-teaching staff. The current pay offer for non-teaching staff of £1,925 to each employee (agreed November 2022), results in an average pay increase of 7.5% and this will increase the pay budget by £3.8m. The pay offer to teachers of 5% from September 2022 (yet to be agreed) will increase the teaching pay bill by £926k, which is £572k higher than was allowed for in the budget. As a result, an additional £2.4m will be required to fund the pay awards should the current offer become the final offer. The funding position is summarised in Table 1 below.

The UK Government have announced a reversal of the increase in National Insurance contributions, which came into effect in April 2022. The reversal is applicable from November 2022 and should result in a reduction in the Council's employer national insurance contributions of £260k.

Table 1 – Funding the 2022/23 Pay Awards

	Non Teaching	Teachers	Total
	£	£	£
Total Cost of the Pay Award	3,853,230	925,930	4,779,160
Inflation allowed for in the 22/23 Budget	(1,946,986)	(354,860)	(2,301,846)
Reduction in Employer NI Contributions	(162,670)	(97,380)	(260,050)
Shortfall in Budget	1,743,574	473,690	2,217,264

In addition to the increased pay costs, the Council is also facing increased costs in a number of areas due to the high level of inflation. The Council is still awaiting the final energy prices, which are effective from October 2022. It is likely that the increases will be considerable, with gas prices anticipated to increase by 160% and electricity prices to increase by over 60%. The combined electricity and gas budget for schools is £1.45m and £1.12m for all other Council services. The anticipated price increases will increase the cost over the second part of the financial year by approximately £1.1m, although much will depend on how cold the winter is. If all of the Inflation reserve was utilised to cover the additional pay awards, this additional energy cost would fall on the Council's general balances to fund.

3. Financial Performance by Service

3.1 The details of the financial performance by service for the period and the projected outturn position for each is set out in Appendix B. An overspend of £0.385m on services is predicted as at 31 March 2023 (not including the impact of the pay award or increased energy prices). An underspend of £0.750m is estimated on Corporate Finance. In addition, an over achievement of income of £0.372m is forecast on the standard Council Tax debit, with a further over achievement of income of £0.391m on the Council Tax premium. The current total revenue forecast for 2022/23 is an underspend of £1.128m, which equates to 0.71% of the Council's total net revenue budget.

3.2 Table 3 below summarises the significant variances (circa £100k or higher):-

Table 3

Service	Over/Underspend	Outturn as % of budget
	£'000	£'000
Adults	313	1%
Children's Services	1,048	9%
Highways	(213)	3%
Waste	(965)	11%
Transformation	(232)	4%
Corporate and Democratic Costs	200	7%
Corporate Finance	(750)	4%
Un budgeted Uncontrollable - (bad debt provision/impairment loss allowance, capital pension costs, insurance, premium on historic refinancing)	400	100%
Funding	(763)	0%
Other (total of variances less than £100k)	(166)	
Total	(1,128)	0.71%

4. Explanation of Significant Variances

4.1 Education, Skills and Young People

4.1.1 Delegated Schools Budget

Once the Council sets the budget for schools, responsibility for the budget is delegated to the schools and annual under or overspend is held in individual school reserves. The balances of the schools reserves now stand at £7.827m, compared to £3.974k at 31 March 2021. However, grants were received by schools in March from the Welsh Government which covered expenses already incurred, which means that their core budget was not spent. Over this financial year, schools will be recovering from the impact of the pandemic and it is anticipated that school balances will fall significantly by the end of the 2022/23 financial year as additional resources are directed to help pupils catch up following the periods of school closures.

Central Education

4.1.2 This service was underspent by £44k (1.62%) at the end of quarter 2 and is predicted to underspend by £78k (1.46%) at year-end. This is an improvement on the estimated overspend of £81k for 2022/23 reported at quarter 1.

4.1.3 There are a number of over and underspends across the Service. The most significant of which are listed below:-

- School Transport (Taxis and Buses) – forecast overspend of £500k. This has increased significantly from the overspend of £118k reported for quarter 1. This is demand led and, due to ever increasing demand for taxis, an overspend persists. An additional budget has been allocated to this financial year, but an overspend remains. Additionally, Taxi and Bus companies have been given additional support due to the increased cost in fuel, which has also contributed to the overspend. It needs to be noted that all school bus contracts were retendered in October with the new prices factored into the forecast. School taxi contracts are to be retendered in January 2023 and any change in prices has not been factored into the forecast, therefore, this overspend could significantly change by the end of the year.
- The ICT in schools budget is forecast to underspend by £100k by 31 March 2023. This budget is to increase broadband capacity in schools. The project is delayed while procurement processes are completed but this funding will be needed in 2023/24. The Executive is requested to consider approving the transfer of this underspend to an earmarked reserve so that the broadband expansion will have funding in 2023/24.
- The out-of-county placements budget had reduced demand in 2021/22 and, therefore, the budget for 2022/23 is less than that of 2021/22. An underspend of £77k, is forecast for out-of-county placements. This is £16k less than estimated in quarter 1. As the financial year progresses, the number of children requiring out-of-county placements may begin to rise, which will impact the forecasted underspend, but an earmarked reserve of £500k is held to meet any additional costs incurred as a result of increased demand.
- The income target for Clwb Gofal plant is forecasted to underachieve by £64k. This budget is, again, demand led and the numbers attending the clubs have not returned to pre pandemic levels.
- The Central Education budget is forecast to underspend by £486k, a significant increase from the underspend of £103k projected during quarter 1. This is mainly due to an underspend on the appointment of School Business Managers (allocated budget of £300k), with uncertainty if this will go ahead in this financial year. There is also a £51k underspend for a post which has been vacant since April, which has now been filled, and a forecast underspend on consultants (£19k).
- There are also other minor underspends across many budget headings.

4.1.4 Culture

4.1.4.1 This service was £112k (14.03%) underspent during the period, however, the service is predicted to overspend by £15k (1.18%) at the year-end. The overspend forecast for Museums and Galleries is expected to increase from £29k to £65k. This is due to a shortfall on fees and charges income. The cost of utilities, repairs and maintenance could potentially add another £20k to the overspend. There are underspends on staffing which are mitigating the overspend within Museums and Galleries.

4.1.4.2 An underspend of £55k is forecast on Libraries due to a number of vacant posts including on the mobile library. The staffing underspend is £85k, however, the shortfall of £30k on income from schools reduces this to an overall underspend of £55k. In addition, an overspend of £5k on culture grants is forecast at year-end.

4.2 Adults Social Care

4.2.1 This service was £542k (4.36%) overspent for the period, but this expected to reduce to an overspend of £313k (1.05%) for the year 2022/23. This is a significant improvement on the overspend of £753k reported for quarter 1. This improvement is the result of external grants available to fund eligible costs and funding from the social care pressures reserve.

4.2.2 The elements within the outturn variance are as follows:-

- Services for the Elderly: An underlying overspend of £308k is forecast, however, this will reduce to an overspend of £33k after applying grant of £50k and £225k from the social care pressures reserve. The Assessment and Care Management team is expected to underspend by £61k though this includes £26k of agency staff costs. A slight overspend is expected on the residential care for older people, after a virement of £125k from the social care pressures reserve. Nursing care for older people has underlying budgetary pressures which are reduced to an overspend of £5k after allocating £100k from the social care pressures reserve. Home care budget pressures have increased with an overspend of £90k after deducting £50k external grant. This is due to a significant increase in demand for this service.
- Physical Disabilities (PD): This service is forecast to overspend by £135k at year-end. However, the underlying overspend is much higher at £302k but has been reduced by £167k after applying eligible grant funding to residential care services. An overspend of £149k is forecast on home support due to increased demand for home support services.
- Learning Disabilities (LD): An overspend of £353k is predicted for the year. However, there is a significant underlying overspend of £1,585k which is reduced this year by applying eligible grant funding and £785k from the social care pressures reserve. Residential care is forecast to overspend by £2k after allocating £115k grant and £75k from the social care pressures reserve. The day care service is forecast to overspend by £86k for the year. Home care is expected to overspend by £32k after allocating £300k from the social care pressures reserve. It is the service's strategy to increase the number of clients receiving direct payments rather than commissioned home care to empower service users and give them choice and control over their home care needs. Supported and other accommodation is forecast to overspend by £232k after allocating £332k of grant funding and £410k from the social care pressures reserve. The underlying overspend is therefore £974k on supported and other accommodation.
- Mental Health (MH): This service is projected to overspend by £153k at year-end. However, the underlying overspend is £585k which is reduced due to allocation of £332k grant and £100k from the social care pressures reserve. The significant pressure for Mental Health services is residential care which has an underlying overspend of £713k but which is reduced to £281k after applying grant of £332k and £100k from the social care pressures reserve. It's a demand led service and is predominantly high cost, low volume placements. Community support is forecast to underspend by £145k for 2022/23 due to vacant posts.

Supported living is projecting an overspend of £73k by year-end. This overspend mainly relates to the cost of adult placements and echoes the service's aim for clients to be supported within their own homes in the community.

- Provider Unit and Management and Support: This area is forecasting an underspend of £242k at year-end. The forecasted underspend in this area is, in large part, the result of various vacant posts.

4.3 Children's Services

- 4.3.1** The service is overspent by £676k (9.22%) for the period and is forecast to be overspent by £1,048k (8.65%) at year end. This is a worsened position on the estimated overspend of £755K reported at quarter 1. This is due to increased costs of children being looked after of £323k. The more significant under and overspends are highlighted below. It appears that most budget headings within Children's Services have inherent overspends which might result in budget pressures beyond 2022/23.
- 4.3.2** The Looked After Children's budget is overspent by £680k up to quarter 2 and the forecast presently is for year-end is an overspend of £1,163k. This is made up of an overspend of £836k on out-of county placements. This is due to the full-year impact of 5 new placements, changes in placements and despite 4 placements ending. Foster care is forecast to overspend by £201k. Non-standard placements is underspending by £63k though adoption is predicted to overspend by £72k, special guardianships are also impacting on outturn with an overspend of £67k. Small group homes are likely to overspend by £50k due to increased staffing costs.
- 4.3.3** Commissioning and social work is forecast to underspend by £168k for the year due to reduced staffing costs arising from vacant posts. Family Support is expected to be overspent by £162k at year-end. This is mainly due to an overspend in the 'When I'm ready' service. This is likely to increase further when school taxi contracts are renewed later in the year. Integrated family support, however, is expected to underspend by £138k for the year mainly due to staffing underspends. Reviewing and complaints are expected to overspend by £60k due to pressures in the out-of-hours team. Cost pressures for supporting children with disabilities are likely to result in an estimated overspend of £121k for 2022/23.

4.4 Housing (Council Fund)

- 4.4.1** This service was underspent by £83k (6.33%) at the end of quarter 1 but is forecast to be overspent by £30k (1.57%) at outturn. This is a reduction of £55k on the overspend of £85k forecast during quarter 1.
- 4.4.2** Within the Housing budget, the homelessness budget is the significant pressure being faced by the service, with an increasing demand for support as a result of a number of factors. The situation is expected to worsen over the winter as the cost of living crisis increases pressure on household budgets and the impact of the Housing Rental Act which comes into effect from December 2022, which may be encouraging landlords to sell their properties before the Act comes into effect. This is likely to result in tenancies being ended and higher demand for emergency accommodation. The demand for homelessness services will be closely monitored. The position at the end of quarter 2 is that the budget was underspent by £115k, mainly due to the recovery of costs for clients in emergency accommodation through Housing Benefit.
- 4.4.3** Homeless prevention is forecast to overspend by £60k at year-end. While the overspend is cause for concern, these costs have helped service users to avoid being made homeless which is a better outcome for them and reduces expenditure on emergency accommodation. Housing staff budgets are forecast to underspend by £30k which helps reduce the overall overspend.

4.5 Regulation and Economic Development

4.5.1 Economic and Community (includes Destination and Leisure)

- 4.5.1.1** The service, was overspent by £56k (4.66%) at the end of the second quarter and is forecast to overspend by £86k (3.96%) at 31 March 2022. This is an increase of £59k from the overspend of £27k reported for quarter 1.
- 4.5.1.2** The Economic Development element of the service is expected to be overspent by £46k at year end compared with £17k at quarter 1. There is a historic shortfall due to income targets being no longer achievable for projects such as Wylfa Newydd and National Grid. Other budget pressures include centre facilities (£20k), graphic design income shortfall (£10k) and subscriptions (£20k).
- 4.5.1.3** The Destination section is forecasted to be £48k underspent by year end. A small increase since quarter 1. Visitor numbers to the island appear to have dropped from the exceptional highs of last year. This has resulted in recruiting less seasonal staff than first expected therefore an underspend of £20k is expected on staffing. The vacant harbourmaster post in Menai Bridge has led to an underspend of £30k. There are other small over and underspends.
- 4.5.1.4** The Leisure service is forecast to overspend by £88k for the year this is an increase of £38k from quarter 1. Leisure centre direct debit income has recovered to pre-pandemic levels and it is likely that income targets will be achieved though the cost of living might start to impact on leisure memberships. Staffing budgets are expected to overspend by £22k with higher staffing costs at Holyhead Leisure Centre. An overspend of £20k is expected on electricity costs and this is likely to increase depending on the outcome of contract negotiations. Cleaning materials are also likely to overspend by £10k

4.5.2 Planning and Public Protection

- 4.5.2.1** This service is £179k underspent (17.73) for the period but is forecasted to be underspent by £85k (3.53%) at outturn. This is a small increase on the forecasted underspend of £77k reported at quarter 1.
- 4.5.2.2** Public Protection is forecast to underspend by £40k for 2022/23. There are no significant areas of concern within the Public Protection service though an overspend of £15k is expected on dog/pest control due to a shortfall on income targets and general supplies and services costs. Environmental health is forecast to underspend by £45k for the year due to underspends on staffing though this masks budgetary pressures on non-staffing budgets. Transport, supplies and services are higher than expected. There is an unbudgeted £12k on Civica consultancy costs and income targets for fees, charges and contributions are behind profile. Licensing is expected to underspend by £10k mainly due to surplus income.
- 4.5.2.3** The Planning Service is expected to be underspent by £45k at year-end compared with an expected balanced budget reported at quarter 1. An overspend is no longer expected on planning control due to an improvement in planning fees. Planning control is expected to breakeven. An underspend of £30k is forecast in building control due to a vacant post and surplus income on large building regulation fees. Implementation and conservation is expected to underspend by £15k a vacant post.

4.6 Highways, Waste and Property

4.6.1 Highways

4.6.1.1 This service was £580k (14.91%) underspent for the period. The forecasted position at year end is an underspend of £213k (3.17%). This is an increased underspend from the underspend of £54k at quarter 1. Pressure continues on the Fleet budget due to less usage and increased fuel prices and the works budget is under pressure as suppliers pass on increased prices. There are notable underspends on Departmental Control, Car Parks, Development Control and Street Works as income is higher than estimated in quarter 1. They are expected to exceed their annual targets but at a decreasing rate by the end of the financial year. Expenditure on the works budget is behind profiled budget but this is expected to correct itself by the end of the financial year.

4.6.2 Waste

4.6.2.1 The Waste service was £539k (12.77%) underspent for the period and the service is predicted to have an outturn position of a £965k underspend (10.65%). This is an increase of £170k on the underspend of £795k reported in quarter 1. The main cause of this improvement is due to recycling costs improving from an estimated overspend of £50k at quarter 1 to an underspend of £90k.

4.6.2.2 The Waste Management Service is expecting a significant underspend of £965k at the end of the financial year as income from the sale of green waste subscriptions as well as income from the sale of recyclable material continues to be well in excess of income targets. There is a small risk that the Authority may need to pay a £140k fine to Welsh Government for missing its recycling rates last financial year. This would lower the year end projection.

4.6.2.3 The forecast for the year end includes overspends and compensating underspends within different sections of the department. The most notable of the variances include a £310k underspend on the Waste Collection, where income on green waste and the purchase of black bins and bulky waste are overachieved. The Recycling section is also expected to be underspent at year end, the amount forecasted is £400k, this is due to its achieving more than its target income and the prices per tonne for recycled waste continue to be high.

4.6.3 Property

4.6.3.1 The service's position for the period is a £348k underspend, with a forecast for the year end position being overspent by £8k (0.50%). This is an improvement on the overspend of £48k forecast for quarter 1 which has arisen due to part-year vacant posts.

4.6.3.2 The position for a number of budget headings varies, with some showing an overspent position, whilst others are underspending. However, Capitalised salaries are likely to be underachieved in 2022/23 due to staff working on a non-fee project at Canolfan Addysg y Bont. The overall overspend is reduced by underspends on staffing due to vacant posts estimated to be £40k underspent.

4.7 Transformation

4.7.1 The Transformation function overspent by £99k (2.8%) at the end of the period, however, is forecasting to be £232k (3.7%) underspent at outturn. This is a reduced underspend on the £297k reported for quarter 1.

4.7.1.1 The HR function was underspent by £19k (2.31%) for the period, and is projected to be £70k (4.65%) underspent at year-end. The projected underspend is derived from the central training budgets which is a £50k forecast underspend which has increased by £20k since quarter 1. Demand for training is still low and expenditure is still lower than at the same point last year. Staff vacancies contribute to the remainder of the underspending.

4.7.1.2 The ICT section was overspent by £201k (9.32%) for the period, however, the forecast for outturn is an underspend of £53k (1.44%). This is a reduction on the underspend of £176k predicted during quarter 1. The process to transfer the ICT support in-house is ongoing with some vacancies not filled from the start of the financial year and there have also been general difficulties in filling vacant posts within the Service. This has created a one off reduction in staff costs which reduces over time but has contributed significantly to the forecasted underspend for 2022/23. The other main area of expenditure which impacts on the budget position of the Service is software licences. The budget does not cover the current costs due to the initial budget allocation when it was centralised under the ICT service some years ago and also licence costs have increased at a higher rate than the anticipated inflation over the same period. It is forecast that the software licence budget will overspend by £11k at the end of this financial year.

4.7.1.3 The Corporate Transformation Section was underspent by £83k (16.07%) for the period, and is expected to be underspent at the year-end by £109k (9.56%). The increase is due to an underspend of £62k now predicted for 2022/23 on Corporate Transformation which was expected to be a balanced budget during quarter 1. An underspend of £54k is expected on staffing and an underspend of £8k is forecast on supplies and services. Cyswllt Mon is still expected to underspend by £26k though a small decrease on that reported at quarter 1. This is mainly due to an underspend on the staffing budget. The Ynys Môn Gwynedd Partnership is expected to underspend by year-end by £17k, this is £5k less than the forecast at quarter 1 due to an overspend of £6k on the regional strategic partnership.

4.8 Resources (excluding Benefits Granted)

4.8.1 The Resources function budget is £18k (0.95%) overspent for the period, but the projection for the outturn is an underspend of £98k (2.85%). This is a reduction in the estimated underspend of £46k from the underspend of £144k forecast for quarter 1. This reduction is due to an increase in bank charges though most of these charges relate to processing fees for income received by the Council via direct debits and cards.

4.8.2 Staffing issues and the need to use agency staff to deal with a backlog of work within the Audit team has reduced the forecast underspend to £14k. For Revenues and Benefits, the forecast is an underspend of £21k due to vacant posts some of which are covered by agency staff. An overspend of £34k is forecast for the Accountancy team compared with an underspend of £6k during quarter 1. This as mentioned above is due to costs charged to bank charges which are estimated to overspend by £30k. These are not charges for the Council's operational banking but are charges for income processing costs such as the cost of direct debits. An underspend of £19k continues to be expected on financial management. The Procurement Section is expected to be £78k underspent due to initiatives in purchasing, i.e. centralised purchasing budgets and procurement card rebates and lower demand for certain expenditure which are covered by the central procurement budgets as a result of increased home working (paper, photocopiers, stationery, furniture).

4.9 Council Business

4.9.1 The function was £11k (1.08%) underspent for the period, with the forecast for the year-end position being a £44k (2.23%) underspend. This is an increased underspend of £11k from the underspend of £33k forecast for quarter 1. This is due to increased underspends on staffing due to ongoing vacancies and other staff charges, though these are partially offset by increased expenditure on agency staff to cover vacancies.

4.9.2 Legal Services are expected to be overspent by £4k at year end, in large part due to legal agency staff employed to cover staff vacancies / absences and no budget for the trade union post. Though this is an improved position on the £14k overspend reported during quarter 1. Democratic Services are forecasted to underspend by £48k, this is in large part due to vacant posts within the section.

4.10 Corporate and Democratic Costs

4.10.1 This budget covers a range of costs which are not directly attributable to one service. The function was overspent by £67k (3.28%) for the period and the forecast year- end position is an overspend of £200k (6.6%). This is a small improvement on the overspend of £215k reported at quarter 1. This improvement is on corporate other costs though this area is forecast to overspend by £189k. Members Support & Expenses and civic expenditure are forecasting a balanced budget.

4.10.2 The corporate budgets, overall, are showing a forecast overspend of £189k. The Pensions contributions to the pension fund is expected to be £52k less than budgeted, there is an expectation that staff counselling will overspend by £25k based upon current figures. This is a demand led budget, therefore, the figure will fluctuate based upon need. It was identified during the year that it would be possible to make savings across the Authority due to hybrid working, the balance is placed within the corporate budget, however, the savings are included in the corresponding budget within the departments. This will be vired during the financial year. The £200k for hybrid working target will then be accurately reflected against service budgets.

4.11 Corporate Management

4.11.1 The function was £3k (0.87%) underspent for the period and it is forecast to achieve a balanced budget at outturn.

5. Corporate Finance (including Benefits Granted)

5.1 Corporate Finance, including Benefits Granted, is expected to underspend by £750k at year-end (3.82%) compared to an underspend of £307k reported during quarter 1. This change is due an increase in interest receivable on treasury management investments due to investing in higher interest fixed term deposits which are at higher interest rates than instant access deposits, as well as the interest rates on these increasing with each base rate increase. When the fixed term investments have expired these are then reinvested on the higher interest rates.

5.2 The budget for 2022/23 included some items retained centrally as contingency budgets, these amounted to £3,110k. The majority of these budgets will be transferred into Service budgets during the year. Appendix C provides a summary of the contingencies budget, this shows that £538k has already been vired to approved budgets. £1,992k of the remaining £2,571k is committed, with £580k yet to be committed. Much of this is expected to be committed in accordance with the type of contingencies provided for. An estimated underspend of £48k is expected on the contingency budget at year-end.

5.3 The capital financing budget is made up of 3 elements: the sum set aside to meet future repayments (Minimum Revenue Provision - MRP), interest payable on outstanding loans and interest received on cash balances held in the Council's bank accounts and other investments. Delays in capital projects, in particular the 21st Century Schools programme, lowered the Council's borrowing requirement which, in turn, has led to lower MRP and interest costs. As a result, the Capital Financing budget is forecast to underspend to the sum of £501k due to significantly increased interest receivable on bank deposits with a surplus income of £235k, an underspend of £116k on interest payable due to using cash balances (internal borrowing) instead of taking out PWLB loans to fund capital expenditure and an underspend of £150k on MRP.

6. Collection of Council Tax

- 6.1** The Council Tax Fund budget is determined using the estimated collectable debt for the current year only, based on the tax base figure set in November 2021. It does not provide for arrears collected from previous years, adjustments to liabilities arising from previous years (exemptions, single person discounts, transfers to business rates etc.), changes to the current year's tax-base or the provision for bad and doubtful debts. These changes cannot be estimated and, invariably, lead to a difference between the final balance on the Council Tax Collection Fund and the original budget. Covid-19 was also impacting on the collection of Council Tax and an increase in the bad debt provision has been made to reflect this impact. Going forward, with the impending recession and costs of living increasing, this budget will need to be monitored closely. The current core Council Tax income is forecasted to be £372k above the budget, but this can change significantly during the year.
- 6.2** The Council Tax premium is designed to encourage owners of empty properties and second homes to return the property to general use and, as such, there is a risk that the number of properties paying the premium can reduce significantly during the year. In order to mitigate this risk, the tax base for premium properties is set at 80% and, if the numbers of properties paying the premium does not fall significantly, then the budget will generate a surplus. Again, the transfer of properties from the domestic to the Business Rates register has reduced the premium payable on second homes but, despite the transfer of properties, overall the numbers of second home properties remained fairly constant and, as a result, the Council Tax premium budget is forecasting a surplus of £391k at the end of the financial year. The total surplus income on Council Tax including the Council Tax Premium is therefore estimated to be £763k at year-end.

7. Budget Savings 2022/23

- 7.1** No Budget Savings were required by the services for the financial year 2022/23.

8. Agency and Consultancy Costs

- 8.1** During the quarter £675k was spent on Agency staff. These were, in the main, part-funded from staffing budgets as they related to staff vacancies, while £333k related to staff cover for vacant posts. Children's Services spent £205k on agency staff to the end of quarter 2 with the Adults service incurring £124k on agency staff. The Waste Service spent £182k for site agents at the recycling centres. The full details can be seen at Appendix CH.
- 8.2** A total of £495k was spent on Consultancy during the period April to September 2022, with £268k funded through grant or external sources. Most services spend modest amounts on consultancy and Economic and Regeneration incurred £243k on consultancy though much of this was funded by external sources of income. A summary of expenditure per service is shown in appendix DD, and additional details of the expenditure, can be seen at Appendix E.

9. Welsh Government Covid-19 Grant Funding to date

- 9.1** The Welsh Government has provided significant financial support to the Welsh local authorities on Coronavirus related additional costs, although this has now ended. The Council is still making payments to individuals and recovering the costs from the Welsh Government through the Hardship Fund mechanism. Table 2 below shows that the Council claimed £0.724m for additional costs arising from the pandemic for this financial year:-

Table 2 Covid-19 related expenditure April to September 2022 funded by Welsh Government

	Free School Meals £	Self Isolation £	SSP Enhancement £	Total £
SUMMARY Claimed	456,680	181,210	121,589	759,479
Disallowed	35,478	-	-	35,478
Balance Due	421,202	181,210	121,589	724,001
Paid	272,500	157,130	54,977	484,607
Balance Outstanding	148,702	24,080	66,612	239,394

10. Conclusion

10.1 The initial projection at the end of the second quarter is that the budget will be underspent by £1.128m for the year ending 31 March 2023. However, there are a number of areas of concern which may not be apparent from this headline figure which weakens the Council's financial position going forward.

10.2 The main areas of concern relate to:-

- i. The fact that the pay offer is significantly higher than allowed for in the budget and are not reflected in the current projection. Although an earmarked reserve is in place which will offset a large part of the additional cost, it may still not be sufficient to meet the overall additional cost. The increased cost also has to be allowed for in the base budget for 2023/24, in addition to the pay award for 2023/24.
- ii. The position in respect of Social Care is of particular concern, with a forecast overspend of £1.361m for Adults and Children's Services. However, the true position is masked by the fact that additional grants and reserves are being used to reduce the overspend. The true position is that the services will overspend by around £3.5m to £4m. This is based on the current level of demand. Any increase in the demand for services will only worsen the position.
- iii. The cost of living crisis will ultimately result in an increase in the demand for Council services (Homelessness, Debt Advice, Mental Health Support, Childrens Service) and may lead to a reduction in income in services such as leisure, culture, planning, parking fees, as people reduce their spending on non-essential items. These potential changes in demand for services may have a negative impact on the Council's financial position. As we move through the remainder of the financial year, the impacts of the above will be factored into future monitoring reports as things become clearer.

10.3 The financial position in 2022/23 will also influence the Council's financial strategy for 2023/24 and beyond, as it will highlight the need to realign budgets to reflect the increases in costs seen in 2022/23 and to reflect the changing demand for services. Any significant overspending will also result in an erosion of the Council's earmarked reserves and general balances and this will reduce the ability to use reserves and balances to help to balance the revenue budget in 2023/24.

Projected Revenue Outturn for the Financial Year ending 31 March 2023- Quarter 1

Gwasanaeth/Swyddogaeth Service/Function	2022/23 Cyllideb Blynnyddol Annual Budget	2022/23 Ch2 Cyllideb hyd yma Q2 Budget Year to Date	2022/23 Ch2 Gwir Wariant ac Ymrwymiad au Q2 Actual & Committed spend	2022/23 Ch2 Amrywiad Q2 Variance	2022/23 Ch2 Gwir Wariant ac Ymrwymiad au Q2 Actual & Committed Spend	Ch2 : Q2 Amcangyfrif Gwariant i 31 Mawrth 2022 Estimated Expenditure to 31 March 2023	Ch2 : Q2 Amcangyfrif o Alldro 31 Mawrth 2022 gor/(tan) wariant Estimated Outturn 31 March 2023 over/(under)	2022/23 Gor/(tan) wariant fel % o'r Gyllideb Gyfan Projected Over (Under) spend as a % of Total Budget	Ch1 : Q1 Amcangyfrif o Alldro 31 Mawrth 2022 gor/(tan) wariant Estimated Outturn 31 March 2022 over/(under)	2021/22 Gor/(Tan) Wariant Drafft Draft Over/(unders pend)
	£'000	£'000	£'000	£'000	%	£'000	£'000	%	£'000	£'000
<u>Dysgu Gydol Oes</u> <u>Education, Skills and Young</u> <u>People</u>										
<i>Cyllideb Datganoledig Ysgolion</i> <i>Delegated Schools Budget</i>	50,821	23,442	23,396	(46)	-0.20%	50,821	0	0.00%	0	0
<i>Addysg Canolog</i> <i>Central Education</i>	5,351	(2,720)	(2,764)	(44)	1.62%	5,273	(78)	-1.46%	81	(150)
<i>Diwylliant</i> <i>Culture</i>	1,271	799	687	(112)	-14.03%	1,286	15	1.18%	(13)	(105)
<u>Gwasanaethau Oedolion</u> <u>Adult Services</u>	29,833	12,438	12,980	542	4.36%	30,146	313	1.05%	753	(283)
<u>Gwasanaethau Plant</u> <u>Children's Services</u>	12,112	7,332	8,008	676	9.22%	13,160	1,048	8.65%	755	(370)
<u>Tai</u> <u>Housing</u>	1,914	1,312	1,229	(83)	-6.33%	1,944	30	1.57%	85	(128)
<u>Priffyrdd, Gwastraff ac Eiddo</u> <u>Highways, Waste & Property</u>										
<i>Priffyrdd</i> <i>Highways</i>	6,718	3,888	3,308	(580)	-14.91%	6,505	(213)	-3.17%	(54)	(55)
<i>Eiddo</i> <i>Property</i>	1,590	365	17	(348)	-95.41%	1,598	8	0.50%	48	(17)
<i>Gwastraff</i> <i>Waste</i>	9,061	4,220	3,681	(539)	-12.77%	8,096	(965)	-10.65%	(795)	(1,206)

Gwasanaeth/Swyddogaeth Service/Function	2022/23 Cyllideb Blynyddol Annual Budget	2022/23 Ch2 Cyllideb hyd yma Q2 Budget Year to Date	2022/23 Ch2 Gwir Wariant ac Ymrwymiad au Q2 Actual & Committed spend	2022/23 Ch2 Amrywiad Q2 Variance	2022/23 Ch2 Gwir Wariant ac Ymrwymiad au Q2 Actual & Committed Spend	Ch2 : Q2 Amcangyfrif Gwariant i 31 Mawrth 2022 Estimated Expenditure to 31 March 2023	Ch2 : Q2 Amcangyfrif o Alldro 31 Mawrth 2022 gor/(tan) wariant Estimated Outturn 31 March 2023 over/(under)	2022/23 Gor/(tan) wariant fel % o'r Gyllideb Gyfan Projected Over (Under) spend as a % of Total Budget	Ch1 : Q1 Amcangyfrif o Alldro 31 Mawrth 2022 gor/(tan) wariant Estimated Outturn 31 March 2022 over/(under)	2021/22 Gor/(Tan) Wariant Drafft Draft Over/(unders pend)
	£'000	£'000	£'000	£'000	%	£'000	£'000	%	£'000	£'000
Costau heb gyllideb, costau na ellir eu rheoli: yswiriant, costau pensiwn a dileu drwg ddyledion/amhariad ar incwm gwasanaethau <i>Unbudgeted, uncontrollable costs: insurances, pension costs and bad debt write offs/impairment allowances on services income</i>						400	400	0.00%	200	1,386
Cyfanswm Cyllideb Gwasanaethau Total Service Budgets	138,750	62,035	61,549	(486)	-0.78%	139,135	385	0.28%	750	(2,671)
Ardollau <i>Levies</i>	3,957	3,919	3,919	(0)	-0.01%	3,957	0	0.00%	0	(2)
Rhyddhad Trethi Dewisol <i>Discretionary Rate Relief</i>	72	0	0	0	0.00%	72	0	0.00%	(1)	0
Cyllido Cyfalaf <i>Capital Financing</i>	7,403	2,075	1,895	(180)	0.00%	6,902	(501)	-6.77%	(45)	(390)
Arian wrth Gefn Cyffredinol ac Eraill <i>General & Other Contingencies</i>	2,572	2,572	1,992	(580)	-22.54%	2,524	(48)	-1.86%	(50)	(567)
Arian wrth Gefn Cyffredinol Y Cyngor <i>Council's General Reserves</i>	0	0	0	0	0.00%	0	0	0.00%	0	300
Cyfraniad CRT y Gwasanaethau Cefnogol <i>Support Services contribution HRA</i>	(800)	0	0	0	0.00%	(800)	0	0.00%	0	(97)
Budd-daliadau a Roddwyd <i>Benefits Granted</i>	6,413	20	20	(0)	-1.96%	6,212	(201)	-3.13%	(211)	178
Cyfanswm Cyllid Corfforaethol Total Corporate Finance	19,617	8,586	7,826	(760)	-8.85%	18,868	(750)	-3.82%	(307)	(578)

Gwasanaeth/Swyddogaeth Service/Function	2022/23 Cyllideb Blynyddol Annual Budget	2022/23 Ch2 Cyllideb hyd yma Q2 Budget Year to Date	2022/23 Ch2 Gwir Wariant ac Ymrwymiad au Q2 Actual & Committed spend	2022/23 Ch2 Amrywiad Q2 Variance	2022/23 Ch2 Gwir Wariant ac Ymrwymiad au Q2 Actual & Committed Spend	Ch2 : Q2 Amcangyfrif Gwariant i 31 Mawrth 2022 Estimated Expenditure to 31 March 2023	Ch2 : Q2 Amcangyfrif o Alldro 31 Mawrth 2022 gor/(tan) wariant Estimated Outturn 31 March 2023 over/(under)	2022/23 Gor/(tan) wariant fel % o'r Gyllideb Gyfan Projected Over (Under) spend as a % of Total Budget	Ch1 : Q1 Amcangyfrif o Alldro 31 Mawrth 2022 gor/(tan) wariant Estimated Outturn 31 March 2022 over/(under)	2021/22 Gor/(Tan) Wariant Drafft Draft Over/(unders pend)
	£'000	£'000	£'000	£'000	%	£'000	£'000	%	£'000	£'000
Cyfanswm 2022/23 Total 2022/23	158,367	70,621	69,375	(1,246)	-1.76%	158,003	(365)	-0.23%	443	(3,249)
Cyllido Funding										
Trethi Annomestig NNDR	(25,493)	(13,727)	(13,727)	0	0.00%	(25,493)	0	0.00%	0	0
Y Dreth Gyngor Council Tax	(41,866)	0	230	230	0.00%	(42,238)	(372)	0.89%	(573)	172
Premiwm y Dreth Gyngor Council Tax Premium	(1,950)	0	0	0	0.00%	(2,341)	(391)	20.03%	(414)	(332)
Grant Cynnal Refeniw Revenue Support Grant	(89,058)	(47,954)	(47,954)	0	0.00%	(89,058)	0	0.00%	0	(1,389)
Cyfanswm Cyllid 2022/23 Total Funding 2022/23	(158,367)	(61,681)	(61,451)	230	0	(159,130)	(763)	0.48%	(987)	(1,549)
Cyfanswm yr alldro yn cynnwys effaith y cyllido Total outturn including impact of funding	(0)	8,939	7,924	(1,016)	-11.36%	(1,128)	(1,128)	-0.71%	(544)	(4,798)

Summary of the Outturn Position on Contingency Budgets 2022/23

	Budget	Virements	Amended Budget YTD	Committed YTD	Currently Uncommitted Budgets	Budget Forecast
	£	£	£	£	£	£
General Contingency	405,734	-590	405,144	-27,340	432,484	-
Salary and Grading	100,000	-	100,000	540	99,460	-
County Elections	200,000	-152,265	47,735	-	47,735	-47,735
Earmarked Contingency	916,830	-316,830	600,000	600,000	-	-
Pay Inflation	1,000,000	-	1,000,000	1,000,000	-	-
Regional Growth	97,000	-	97,000	97,000	-	-
Trainee Scheme	340,000	-68,080	271,920	271,920	-	-
Climate Change	50,000	-	50,000	50,000	-	-
Total General and other Contingencies	3,109,564	-537,765	2,571,799	1,992,120	579,679	-47,735

Agency costs July to September 2022

Service	Amount £	Source of Funding (Specific Core Budget / Un- utilised staffing budget / Grant / External Contribution)	Permanent / Temporary	Reason for Cover
Economic & Regeneration	21,985	Grant	Temporary	To back fill officers dealing with COVID
	6,002	Grant	Temporary	To back fill officers dealing with export health certificates
	7,857	Core		To back fill officers dealing with export health certificates
	35,845			
Schools	14,757	Core	Temporary	Supply teachers in specialist field
	14,757			
Waste	181,887	Specific Core Budget	Temporary	Additional tasks required short team /Adjustments in costs due to change in rate
	181,887			
Children's Services	205,467	Core Budget/ Agency staff Reserve	Temporary	To cover vacant posts
	205,467			
Adult Services	98,932	Core Budget	Temporary	To cover vacant posts
	25,564	Grant Funded		Cover additional work re Covid and vacant posts
	124,496			
Resources	20,528	Grant	Temporary	Subsidy Work
	24,480	Grant	Temporary	Additional work from WG grants
	38,394	Grant	Temporary	Additional work from WG grants
	28,812	Un-utilised staffing budget	Temporary	To cover vacant posts
	112,213			
Total	674,665			

Summary Consultancy Expenditure Q2 2022/23

Summary Consultancy Expenditure per Service			
Service	Qtr1 £	Qtr2 £	Total 2022/23 £
Central Education	834	12,469	13,302
Culture	4,925	1,500	6,425
Economic & Regeneration	39,147	204,352	243,499
Property	0	4,832	4,832
Highways	11,376	72,418	83,794
Schools	0	0	0
Waste	4,431	13,347	17,779
HRA	0	0	0
Housing	0	0	0
Corporate & Democratic	0	0	0
Adult Services	0	0	0
Children Services	200	6,093	6,293
Corporate	0	0	0
Transformation	9,157	20,026	29,183
Council Business	7,279	37,968	45,247
Resources	20,278	24,770	45,048
Total	97,627	397,774	495,401
Funded by:			
Core Budget	63,016	160,418	223,434
Grant	33,321	199,734	233,055
External Contribution	0	34,972	34,972
Reserves	1,290	2,650	3,940
Total	97,627	397,774	495,401

Detailed Analysis of Consultancy Costs Q2, 2022/23

	Amount £	Category - Reason Appointed			Source of Funding (Specific Core Budget / Unutilised staffing budget / Grant / External Contribution)	Description of work undertaken
		Ongoing to cover specific skill set that doesn't require Permanent Post	Volume of Work	Specific Work / One Off Project		
Total Q1 April - June	97,627					
Central Education	2,029			P	Grant	Professional fees for the Education department
	8,740		P		Core	Professional fees for the Education department
	1,700			P	Core	Assessments for Director of Education, Skills and Young People
Total Central Education	12,469					
Culture	1,500			P	Grant	Community Consultation and report- National Lottery grant -Steps to sustainability
Total Culture	1,500					
Economic & Regeneration	3,845	P			Core & PPA	Wylfa - post examination advice
	3,914	P			Core	Traffwll Solar Farm Period: Professional Fees
	15,345	P			PPA	Professional fees for services rendered in connection with: Ecological expertise in connection with the Traffwll solar farm application
	7,300	P			Core	Professional fees for services rendered in connection with: Councils Energy Island Programme
	869	P			Core	Annual Hosting - Onesys Technical Support
	225	P			PPA	Morlais TWAO application - advice to council as host authority
	17,154			P	Grant	IACC Heritage Landscape Project
	5,901			P	Grant	Cybi Island landscape partnership evaluation
	3,745			P	Grant	Fees in relation to the Preparation and Implementation of a comprehensive Ynys Cybi Landscape Partnership Interpretation Plan
	27,735	P			Grant	Amlwch Business Park
3,520	P			Grant	Gap Analysis & Phase 1 Environmental Site Assessment - Porth Amlwch	

	Amount £	Category - Reason Appointed			Source of Funding (Specific Core Budget / Unutilised staffing budget / Grant / External Contribution)	Description of work undertaken
		Ongoing to cover specific skill set that doesn't require Permanent Post	Volume of Work	Specific Work / One Off Project		
Page 73	12,650			P	Grant	LUF - costing's verification of potential LUF beneficiaries` cost plans
	35,000			P	Grant	Anglesey Economics Advice - LUF (Socio Economics) Professional Fees
	5,000			P	Grant	Adfywio Môn UKCRF - Monitoring and Evalutation
	14,794			P	Grant	IACC Heritage Landscape Project
	3,763			P	Core Budget	Ecological advice for Planning Applications
	19,402			P	External	Review Holyhead Waterfront Planning application and report
	19,515			P	Core Budget	Development Management Support
	-275			P	Core	Structural checks (CR for charge in Q1)
	4,950	P			Core	Operation Pinewood Legal Charges
Total Economic & Regeneration	204,352					
Property	4,832			P	Core	Public Conveniences Review
Total Property	4,832					
Highways	1,350			P	Core budget	Consultation work for Cleaning Services
	19,710			P	Grant funded	Holyhead Hydrogen Hub
	1,452			P	Core budget	Levy contribution FAO Parking Services
	1,265			P	Core budget	Nant Newydd Llangefni - Proposed Cycle Route
	3,211			P	Core budget	Undertaking SCRIM survey 2022/2023
	11,516			P	Core budget	Provide Scanner survey for 2022/2023
	23,739			P	Grant funded	WelTAG Stage 1 at Llanfairpwll and Menai Bridge
	1,599			P	Grant funded	Desk based Environmental Assessment
	7,435			P	Grant funded	W-02-24529 - Bron y Felin Llangefni Outline Business Case
	1,142			P	Grant funded	W-03-24814 Llangefni Hydraulic Modelling

	Amount £	Category - Reason Appointed			Source of Funding (Specific Core Budget / Unutilised staffing budget / Grant / External Contribution)	Description of work undertaken
		Ongoing to cover specific skill set that doesn't require Permanent Post	Volume of Work	Specific Work / One Off Project		
Total Highways	72,418					
Page 74 Waste	2,596	P		Specific Work	Specific Core Budget	Penhesgyn Landfill Gas Technical Support
	1,228	P		Specific Work	Specific Core Budget	Penhesgyn HWRC Environmental Management System
	2,975	P		Specific Work	Specific Core Budget	Penhesgyn Culvert - Fee Proposal for Engineering Consultancy Services
	1,191	P		Specific Work	Specific Core Budget	Environmental Monitoring and Annual Monitoring Report 2022
	1,610	P		Specific Work	Specific Core Budget	CQA engineer - Installation of replacement monitoring points
	555	P		Specific Work	Specific Core Budget	Environmental Monitoring and Annual Monitoring Report 2022
	1,200	P		Specific Work	Specific Core Budget	Penhesgyn Wetlands Feasibility Study Works
	13	P		Specific Work	Specific Core Budget	Penhesgyn IVC Accident management Plan
	1,980	P		Specific Work	Specific Core Budget	Penhesgyn IVC Bioaerosol RA Update 2022
Total Waste	13,347					
Childrens Services	4,000					Early Years Consolidation
	133					BSL Interpreter service for home visit
	1960					Life Journey Audit and Work Report
Total Childrens Services	6,093					
Transformation	3,187			P	Specific Core Budget	Project management charges - ResourceLink migration to the hybrid cloud
	5,700			P	Specific Core Budget	Whitespace consultancy service
	2,607			P	Specific Core Budget	SIMS consultancy & training
	5,250			P	Specific Core Budget	Granicus CRM consultancy days
	600			P	Specific Core Budget	Electoral software installation

	Amount £	Category - Reason Appointed			Source of Funding (Specific Core Budget / Unutilised staffing budget / Grant / External Contribution)	Description of work undertaken
		Ongoing to cover specific skill set that doesn't require Permanent Post	Volume of Work	Specific Work / One Off Project		
	2,682	P			Grant	Assessor - Trainee Social Workers
Total Transformation	20,026					
Council Business	37,968			P	Unutilised staffing budget	Locum
Total Council Business	37,968					
Resources	7,720			P	Specific core budget	General Ledger Consultancy
Page 75	2,650			P	Reserves	Supporting systems enhancements within Income Team
	10,520			P	Self Isolation admin grant	SIP processing
	3,880			P	Grant	Carers Allowance Grant
Total Resources	24,770					
Total Q2 July - September	397,774					
Cumulative Total April - September	495,401					

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	EXECUTIVE
Date:	29 NOVEMBER 2022
Subject:	BUDGET MONITORING REPORT SECOND QUARTER 2022/23 - CAPITAL
Portfolio Holder(s):	COUNCILLOR ROBIN WYN WILLIAMS – PORTFFOLIO HOLDER FINANCE, CORPORATE BUSINESS & CUSTOMER EXPERIENCE
Head of Service / Director:	MARC JONES - DIRECTOR OF FUNCTION (RESOURCES) & SECTION 151 OFFICER (EXT. 2601)
Report Author: E-mail:	JEMMA ROBINSON JemmaRobinson@ynysmon.llyw.cymru
Local Members:	n/a
A –Recommendation/s and reason/s	
It is recommended that the Executive :- <ul style="list-style-type: none"> • Note the progress of expenditure and receipts against the capital budget 2022/23 at quarter 2. • Approves the increase in budget for Melin Llynon as per section 4.2. 	
B – What other options did you consider and why did you reject them and/or opt for this option?	
n/a	
C – Why is this a decision for the Executive?	
<ul style="list-style-type: none"> • This report sets out the financial performance of the Capital budget for the second quarter of the financial year. • Budget monitoring is a designated Executive function. 	
CH – Is this decision consistent with policy approved by the full Council?	
Yes	
D – Is this decision within the budget approved by the Council?	
Setting of the annual Capital Budget.	
DD – Who did you consult? What did they say?	
1	Chief Executive / Senior Leadership Team (SLT) (mandatory) Report has been reviewed by the Senior Leadership Team and comments incorporated into the final 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 part of the Senior Leadership Team and comments made have been considered.
4	Human Resources (HR)
5	Property
6	Information Communication Technology (ICT)
7	Procurement
8	Scrutiny
9	Local Members

E – Impact on our Future Generations(if relevant)		
1	How does this decision impact on our long term needs as an Island	The capital budget funds investments in assets and infrastructure which are required to allow the Council to meet the long term objectives, which are set out in its Corporate Plan and Capital Strategy.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-	Some of the individual investments, e.g. flood prevention work, will prevent future costs, whilst others, e.g. ICF projects, will reduce the dependency on the Council to provide more expensive services.
3	Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:	Funding of the projects has been agreed and planned with other organisations, notably Welsh Government.
4	Have Anglesey citizens played a part in drafting this way forward? Please explain how:-	The Council's Corporate Plan and Capital Programme 2022/23 have been subject to a consultation process with Anglesey citizens.
5	Outline what impact does this decision have on the Equalities agenda and the Welsh language	Some of the projects funded by the capital programme do impact on the equalities agenda, e.g. disabled access in schools, disabled facilities grants. No impact on the Welsh language agenda.
F - Appendices:		
Appendix A - Capital Budget Monitoring Report – Quarter 2 2022/23 Appendix B - Summary of the Capital Projects' Expenditure to date against the Capital Budget and the Projected Expenditure at Year-End Appendix C - Changes to budgets / additional schemes added since budget setting		
FF - Background papers (please contact the author of the Report for any further information):		
<ul style="list-style-type: none"> • 2022/23 Capital Budget, as approved by the full Council on 10 March 2022; • 2022/23 Treasury Management Strategy Statement, approved by the full Council on 10 March 2022; • 2021/22 Capital Outturn Report, presented to this Committee on 28 June 2022; and • 2022/23 Capital Budget Monitoring Quarter 1, presented to this Committee on 27 September 2022. 		

1. INTRODUCTION

- 1.1 This is the Capital Budget monitoring report for the second quarter of the financial year, and allows Members to note the progress of Capital Expenditure and Capital Receipts against the Capital Budget.
- 1.2 In March 2022, the Council approved a Capital Programme for non-housing services of £17.177m for 2022/23, and a Capital Programme of £18.784m for the Housing Revenue Account (HRA). In addition, in June 2022, the Executive approved Capital Slippage of £11.242m to be brought forward from 2021/22, bringing the Capital Programme for non-housing services to £28.419m, and £18.784m for the HRA. Since the budget setting process, there have been additional schemes added onto the programme, most of which are grant funded, which amounted to £8.272m, along with the HRA budget being reduced by £3.750m. This brings the total Capital budget for 2022/23 to £51.725m. This is illustrated in the table below:-

Funded By:	Original 22/23 budget as approved by Full Council £'000	Slippage as approved in Q4 21/22 outturn £'000	HRA reduction £'000	Additional schemes since budget setting £'000	TOTAL £'000
Grant	7,662	4,426		7,165	19,253
Supported Borrowing	3,325	3,816		(73)	7,068
Unsupported Borrowing	11,399	200	(3,750)	(1,107)	6,742
Revenue Contribution	10,099			266	10,365
Capital Receipts	600	251		257	1,108
Reserves	2,876	2,472		1,764	7,112
Loan		77			77
TOTAL	35,961	11,242	(3,750)	8,272	51,725

Please refer to Appendix C for details of changes to budgets / additional schemes added since the budget setting process.

2. PROGRESS ON EXPENDITURE 2022/23

- 2.1 Below is a summary table of the Capital expenditure to 30 September 2022, the profiled budget to 30 September 2022 and the proposed funding of the Capital Programme for 2022/23:-

Service	Annual Budget £'000	Profiled Budget £'000	Actual Expenditure £'000	Committed Expenditure £'000	Total Expenditure £'000	Profiled Budget Spend %	Annual Budget Spent %
Housing General Fund	1,497	191	203	0	203	106	14
Housing HRA	15,034	4,013	3,650	365	4,015	100	27
Lifelong Learning	15,715	5,997	5,621	502	6,123	102	39
Economic and Regeneration	6,427	2,898	2,510	667	3,177	110	49
Highways	7,473	2,921	2,739	217	2,956	101	40
Waste Management	451	51	54	0	54	106	12
Property	1,731	240	198	1	199	83	11
Transformation	711	426	414	21	435	102	61
Planning	1,050	200	48	143	191	96	18
Adult Services	1,636	116	94	18	112	97	7
Total	51,725	17,053	15,531	1,934	17,465	102	34
Funded By:							
Capital Grant	19,253						
Capital Receipts	1,108						
Supported Borrowing	7,068						
Unsupported Borrowing	6,742						
Revenue Contribution	10,365						
Reserves	7,112						
Loan	77						
Total Funding	51,725						

- 2.2** The profiled budget spent to the end of the first quarter for the general fund is 103%, however, only 37% of the annual budget has been spent to date. The reason for this is that a number of the capital schemes are weighted towards the latter part of the financial year. Some capital schemes are underway, with the majority of the profiled budget for quarter 2 being spent, schemes such as the Canolfan Addysg y Bont roofing works, capital works to Education buildings, the Sustainable Communities for Learning programme, Penrhos Phase 2 and the Llangefni Gateway schemes. Some capital schemes have yet to commence, or the majority of their budget is profiled in the next quarter or towards the latter part of the financial year, such as the Disabled Facilities Grant, Free School Meals grant, the Môn Coastal Gateway scheme and the Melin Llynonn scheme. These schemes and their profiles can be seen in Appendix B. There are a number of Capital Grants schemes in 2022/23 and an update on these is provided in Section 3.1 of this report.
- 2.3** The HRA has spent 100% of its profiled budget and 27% of the annual budget. It is currently estimated that the budget will not be spent in its entirety come the end of the financial year. For further information on the HRA capital expenditure and projected spend, please refer to the HRA quarter 2 budget monitoring report, presented to this Committee on 29 November 2022.

3. FUNDING

3.1 Capital Grants

3.1.1 There are a number of Capital Grant schemes in the Capital Programme for 2022/23, most of which are underway and progressing, with a brief update on the schemes provided below:-

- **Sustainable Communities for Learning** - the new Ysgol Corn Hir is progressing well on site, with Phase 1 and 2 Structures and Roof complete. Internal finishes and installation of fixed furniture, toilet fittings and M&E second fix progressing well. Rear play yard and MUGA games area have been finished with tarmac. External landscaping works are progressing. New Foundation Phase Unit at Ysgol y Graig – land purchase has been completed. Project has commenced on site with the creation of the construction site access and the commencement of the site strip for the archaeology investigations.
- **Holyhead Townscape Transformation (Phase II Townscape Heritage Initiative (THI))** – Levelling Up Fund related development work continues apace in anticipation of a final decision by UK Government by December 2022. Tender documents for the viewing platform to the north east tower at the Caer Gybi Roman Fort and the extension, remodelling and retrofit of the Swift Square Public Conveniences were issued as anticipated in August, and a successful contractor appointed in September, with works to commence in October and be completed by March 2023.
- **The Holy Island Landscape Partnership** – the Landscape Partnership has secured funding from the National Lottery Heritage Fund (NLHF) to deliver a range of projects which focus on the natural environment of Holy Island. Progress on projects which are jointly funded through the ERDF include:-
 - Conserving our Heritage – measured surveys of all structures within the project have been undertaken and two tender submissions for Tŵr Elin, Ffynnon y Wrach and the South Stack Lookout have been received. All works expected to be completed by December.

- **Hwb In-Schools Infrastructure Grant Scheme** – with all installation activities for Waves 1-4 complete, this year's activity will focus on the procurement and installation of interactive whiteboards. An order for 193 screens has been placed and will be distributed amongst schools according to a survey of the state of their existing audio-visual provision. The condition survey has now been completed and, once received, the report will be used as the basis for allocating screens. Some school leaders have questioned the requirement that the school must fund the installation through its own budget but, given the significant contribution made by the grant, the consensus is that this is a worthwhile investment.
- **Tourism Gateway** – the Breakwater Country Park visitor centre: the main contractor has been appointed and works commenced on site early July. Completion of the work on the new visitor centre is now expected in December 2022. The interpretation will then be installed, with all works expected to be completed by mid January 2023. Works on the toilets and kiosks have now been completed. Deliverability by the deadline is currently expected and will be constantly reviewed, and any changes will be reported to Visit Wales.
- **Penrhos Phase 2 project** - the aim of this scheme is to construct seven new business units on the Penrhos Industrial Estate. Works are currently ongoing. Steel frame, cladding and installation of Photovoltaic (PV) panels have been undertaken. Glazing to be installed imminently, with mechanical and electrical works to commence shortly. Expectation that these units will be available in spring 2023.
- **Penrhos Phase 3 project** – £3.1m funding secured from ERDF. The intention is to construct 6 business units on final parcel of land in Council ownership. The procurement process will commence in October 2022, with intention that units will be ready late summer 2023.
- **Llangefni Gateway Project** - the Llangefni Gateway Site (Tregarnedd Industrial Park) is an area in Llangefni which will eventually have 7 plots developed.
 - **Gateway Units (ERDF)** – works have now been completed on the units and have been handed over to Property. Marketing of the units to be undertaken during quarter 3 with the anticipation of occupation by tenants by end of 2022.
 - **Gateway Joint Venture** – the aim of the Gateway Joint Venture is to undertake enabling works on the remaining plots of the Tregarnedd Business Park (Gateway Site). Archaeological and ecological works have been completed and further issues arising. Number of plots to be available to sell will be 3, rather than 6, due to archaeological constraints. Final preparatory works underway to enable final plots to be ready for marketing.
- **Holyhead and Amlwch Drainage schemes** - these studies are currently ongoing. In Holyhead, the hydraulic modelling is complete and the long list of options are being considered. In Amlwch, the river surveys have been completed. Both these studies continued in quarter 2, and will continue throughout this financial year.
- **Small Scale Grants Work** - 11 construction schemes and 4 scheme designs have been approved for 2022/23. However, two of these schemes have now been removed from the programme, one proved subsequently not to be required due to changes by the landowner (Pant Lodge). The other scheme removed, following further investigation, had proven to be too complex to be completed within this financial year. It will be resubmitted for consideration next financial year (Home Farm). Four schemes have now been completed, with the remaining being programmed for completion by year end.

- **Red Wharf Bay** - following the failure of this scheme to get approval (due to the excessive cost estimates), the Full Business Case has now been completed and Welsh Government have officially confirmed that this scheme will not progress.
- **Llanfair PG, Menai Bridge and Valley Full Business Case (FBC) and Valley Construction** - work on Llanfair PG business case has stalled, among issues with the consultant's contract and legal advice is being sought. The Valley construction scheme is now complete. Further site investigations and drainage surveys have been completed on the Menai Bridge scheme. Following the completion of the surveys, the hydraulic modelling is now ongoing.
- **Mill Lane - Structure & Natural Flood Management (NFM)** – the innovative mechanical self-cleansing grillage (currently the only one in Wales) has been commissioned. The machine's operation continues to be closely monitored to assess its performance and effectiveness, with some early learning already having taken place. Some adaptations, including the installation of CCTV monitoring, are now assisting with the assessment of the performance of the scheme. The negotiations are still continuing with the landowner on the NFM aspect, albeit slowly. It may be that only the design element will be completed within this financial year, with the construction element resubmitted for next financial year.
- **Dwyran Ordinary Watercourse Natural Flood Management (NFM)** – the snagging issues have been dealt with and the telemetry to allow monitoring of the effectiveness is now in place.
- **Active Travel** - £0.538m of Welsh Government (WG) Grant has been secured to promote and increase levels of active travel, improve health & well-being, reduce carbon emissions and improve active travel for employment, education and key services, destinations and public transport. £0.500m is for core works covering a number of scheme proposals, and £0.038m has been awarded for Llanfairpwll & Menai Bridge (main artery improvements). Progress in Quarter 2 includes:-
 - The Isle of Anglesey County Council (IoACC) Active Travel Network Map (ATNM) was approved by WG in August 2022 (part of the first tranche of Local Authorities to secure approval on the revised map);
 - Pre-Scheme Development Activities are progressing at Lôn Graig / Refail Llanfairpwll, Benllech and for the corridor between Pont Marquis-Newborough;
 - Site Visits and initial drafting of designs for the Minor Works (critical fail routes in Llangefni and Amlwch and formal crossing at Valley);
 - WeITAG Stage 1 completed with other WG funding for the section at Llanfairpwll & Menai Bridge which will enable activities to be incurred as part of the £0.038m funding;
 - Monitoring and Evaluation activities include: drafting of IoACC Active Travel logo, procurement of user counters, audit training, secured consultation licence for 12 months and updating corporate webpages.
- **Resilient Roads Fund** – the Council has been successful in obtaining funding under this grant to undertake a Stage 3 Welsh Transport Appraisal Guidance (WeITAG) study into what resilience measures could be implemented on the B5109 road to Beaumaris. This road has a history of closures in times of adverse weather, and increased storminess associated with climate change will only worsen the situation. During quarter 2, the Council undertook a competitive tender process for the undertaking of the WeITAG stage 3 report. Atkins Ltd have been appointed as the Consultant, with the commission commencing in quarter 3, with a view of completing before the end of the financial year. Full budget expenditure is currently envisaged.

- **Ultra Low Emission Vehicle Transformation Fund** – agreement was secured with Welsh Government to increase budget allocation and time-extension until July 2022. Project is now completed – all charging points installed and were commissioned in July 2022.
- **Local Transport Fund** – infrastructure enhancements - £0.750m was awarded in 2021/22 to facilitate Infrastructure Enhancements on Anglesey to support bus network delivery work (North Wales Metro) on behalf of Transport for Wales. Time extension has been secured and agreement obtained from Welsh Government to claim the grant in full. In quarter 2, factory acceptance test completed on all products (in addition to vesting certificates received in quarter 1), civil works for the e-ink solar sites have been completed, awaiting revised programme for the remaining civil installation works and the software contents for the Totems are being developed.
- **Local Transport Fund** - £630k has been awarded for 2022/23 in relation to bus infrastructure enhancements which relate to re-developing the bus stop environment at key bus interchange sites (i.e. new bus shelters / introducing public realm improvements etc.). During quarter 2, all design works have been completed and are in the process of obtaining approvals from the relevant Town Councils. Designs issued to main contractor to price the capital works and to agree work programme.
- **Low Carbon Heat Grants** – the Council has been awarded Welsh Government funding in relation to Public Sector Low Carbon grants (for Moelfre Primary School (£0.091m) and the Council Offices (£1.033m)) in order to support in the delivering of supplying and installing heat pumps. 90% expenditure was achieved on both grant awards, and agreement from WG was obtained to carry forward the remainder of the grant award to financial year 2022/23 for completion in quarter 2 2022/23. Works in Moelfre Primary School are now complete. Planning permission has only recently been granted for the works to continue in the Council Offices. The contractors are due to return to site, with completion now estimated in quarter 3.
- **Amlwch 3G pitch** - £0.075m grant funding has been secured towards the delivery of the Amlwch 3G pitch, with the remainder of the budget being funded from the leisure improvements capital reserve. The project is now complete.
- **Môn Coastal Gateway** – works in quarter 2 included surveys and research work on certain aspects, looking at what will be possible on the four different sites, ensuring the situation of access to electricity and to the main drains etc. has been going on over the summer months. The work has gone out to tender and tenders are expected to come back early November 2022. The full budget is expected to be spent this financial year, in line with the grant conditions.
- **Community Focused Schools (CFS) grant** - £0.476m of grant funding has been awarded by Welsh Government (WG) to support small and medium scale practical projects to open schools outside the traditional hours, specifically to safely adapt and effectively open schools outside traditional hours, to enable community use of the existing facilities. There has been no expenditure to date on the scheme, however, the service has been engaging with schools to gather their ideas about the use of the grant funding. The challenge the service is facing is being able to deliver the completed work by year end, as per the grant conditions. This is due to capacity to deliver, exacerbated by recent staffing changes. The service is confident they can commit the funding in full by year end, and have written to WG to request flexibility on completing the works by year end. WG's response is yet to be received.

- **Additional Learning Needs (ALN) grant** - £0.476m of grant funding has been awarded by Welsh Government (WG) to support learners with ALN. The aim of the grant is to optimise pre-16 learning environments for those with ALN and increase accessibility to promote inclusive practice, support learning and pupil wellbeing. This will support the implementation of the ALN and Education Tribunal Act Wales 2018 and Curriculum for Wales. There has been no expenditure to date on the scheme, and the challenge the service is facing is being able to deliver the completed work by year end, as per the grant conditions. This is due to capacity to deliver, exacerbated by recent staffing changes. Furthermore, there are significant lead in times and also the nature of the works means that they must be completed during the school holidays where there are no pupils on school site, leaving very limited opportunity. The service is confident they can commit the funding by year end, and have written to WG to request flexibility on completing the works by year end. WG's response is yet to be received.

3.2 Capital Receipts

3.2.1 The Capital Receipts for this year to date and the budgeted Capital Receipts are:-

	Budget 2022/23 £'000	Received to 30-Sep-22 £'000	Projection to 31-Mar-23 £'000
Council Fund:			
Smallholdings	0	0	0
General	0	60	60
Industrial	0	0	0
Schools	672	146	714
Total	672	206	774

3.2.2 The projected Capital Receipts at 31 March 2023 is £0.774m, with £0.206m being received at 30 September 2022 (27%).

3.2.3 Although the projected Capital Receipts is £0.774m, there is £3.155m of Capital Receipts available to fund the Capital Programme as £2.381m of Capital Receipts were brought forward from 2021/22 in the Capital Receipt Reserve. Not all of this figure will be available to fund the general fund capital programme, as there will be funding earmarked to fund the Sustainable Communities for Learning programme, as part of the Isle of Anglesey County Council's match funding, as well as Leisure earmarked reserve to fund leisure improvements.

4. PROJECTED ACTUAL EXPENDITURE 2022/23

4.1 Below is a table with projected Expenditure at 31 March 2023 and the revised funding:-

Service	Annual Budget £'000	Projected Expenditure £'000	Projected (Under) / Over Expenditure £'000	Variance %
Housing General Fund	1,497	1,037	(460)	(31)
Housing HRA	15,034	12,085	(2,949)	(20)
Lifelong Learning	15,715	15,715	0	0
Economic and Regeneration	6,427	6,114	(313)	(5)
Highways	7,473	6,363	(1,110)	(15)
Waste Management	451	171	(280)	(62)
Property	1,731	1,353	(378)	(22)
Transformation	711	629	(82)	(12)
Planning	1,050	1,050	0	0
Adult Services	1,636	1,636	0	0
Total	51,725	46,153	(5,572)	(11)
Funded By:	Annual Budget £'000	Projected Funding £'000	Variance £'000	Variance %
Capital Grant	19,253	18,331	(922)	(5)
Capital Receipts	1,108	830	(278)	(25)
Supported Borrowing	7,068	6,240	(828)	(12)
Unsupported Borrowing	6,742	6,742	0	0
Revenue Contribution	10,365	7,602	(2,763)	(27)
Reserves	7,112	6,331	(781)	(11)
Loan	77	77	0	0
Total Funding	51,725	46,153	(5,572)	(11)

4.2 As can be seen from Table 4.1 (above), the forecast underspend on the Capital Programme for 2022/23 is £5.572m, with this being potential slippage into the 2023/24 Capital Programme. The funding for this slippage will also slip into 2023/24 and will be factored in when producing the Treasury Management Strategy Statement, Capital Strategy and Capital Programme for 2023/24.

The main contributor to the forecast underspend is within HRA, where there is a forecast to have quite a significant underspend, as explained in the HRA quarter 2 budget monitoring report.

The significant underspend forecast in the general fund capital programme is summarised below:-

Economic & Regeneration

The Maritime Infrastructure and Visitor Infrastructure schemes are going to slip into the next financial year. Regarding the Maritime Infrastructure scheme - the work in Amlwch is being prioritised and, while background work has begun and consultants have been appointed, the full budget is still required and the majority of the work will take place next financial year. There has been no expenditure to date on the Visitor Infrastructure scheme, with some expenditure anticipated in quarter 3 and 4, however, with discussions underway with the Highways department regarding the works required, the scheme will not be completed this financial year and the slippage is already anticipated.

Waste Management

The budget for the Recycling Equipment will not be spent in its entirety and an underspend is now anticipated. This is due to the lead times of certain plant / machinery which, following procurement enquiries, will not be delivered before year end. The budget is committed in full and will require slippage into the next financial year.

Property

The Upgrade of Public Conveniences scheme budget will not be spent in full, and it is estimated at this stage that only £40k will be spent this financial year. The service is in the process of developing a toilet improvement plan which will give a better idea of the capital requirements in the next financial years. It is also envisaged that further grant funding for capital works to public conveniences may be forthcoming in the next financial year, and part of this budget could again be used as match funding if the opportunity arises.

Education buildings – disabled access

At the end of quarter 1, there was an underspend forecast for disabled adaptations in education buildings. This budget is now expected to be spent in full as part of wider works happening with additional grant funding from Welsh Government (ALN Grant as described in section 3.1.1 above).

Highways schemes

The underspend forecast in the Highways schemes are in relation to various flood schemes, mainly due to projects straddling two financial years and some overlapping into financial year 2023/24 for completion.

Funding will also slip into the next financial year, as described above, and no funding will be lost.

Melin Llynnon – increased costs

The project was tendered through SelltoWales. The tender price received was higher than had been anticipated when the budget was set and, as such, an increase in budget of £82k is requested. The increase in budget is expected to be funded through grant funding, however, at the time of writing this report, the confirmation has not been received (although the service is confident it will be approved). In the event of the grant not being approved, the increase in budget will be funded through unsupported borrowing, with the rental income being sufficient to cover the repayments.

- 4.3** The Capital Finance Requirement forecasted at 31 March 2023 is £146.854m, which is the underlying need for the Authority to borrow to be able to fund its Capital Programme. The external borrowing currently stands at £124.155m, meaning the Authority essentially needs to borrow £22.699m to fund the current Capital Programme. If this borrowing is undertaken externally, the Authority will still be within its authorised borrowing limits, as per the 2022/23 Treasury Management Strategy Statement (Appendix 11).

5. FUTURE YEARS

- 5.1** The Capital Strategy recommended that the 2022/23 Capital Programme funding will be limited to the total of the general capital grant and supported borrowing (as determined by Welsh Government) and estimated value of any capital receipts that will be received. It is expected that the 2023/24 Capital Programme will follow the same principles, with the General Capital Grant and Supported Borrowing used to fund the annual replacement of Vehicles, Investment in ICT, refurbishing existing assets and an annual allocation to meet the cost of statutory Disabled Facilities Grants. There will also be funding available for the resurfacing of roads and capital projects that attract external grants, and these will be evaluated on a case by case basis.

Once the above projects have been funded, any surplus funding available will be used to fund new capital schemes, with priority given to projects which contribute to the Council's objectives, as set out in the 2022 – 2027 draft corporate plan, and any schemes which can generate future revenue savings or generate additional income.

6. CONCLUSION

- 6.1** The results at the end of quarter 2, and the associated projected expenditure, shows that the majority of projects are on target to be completed within budget. The Melin Llynnon scheme foresees increased costs at this stage and, as such, has requested approval of additional funding to enable the full scheme to be completed. The Council has secured many different external grants and work is progressing well, or expected to, on most of these schemes. The Council is also expecting to receive £0.774m of Capital Receipts in 2022/23 to contribute towards the funding of the Capital Programme.

Summary of the Capital Projects' Expenditure to date against the Capital Budget and the Projected Expenditure at Year-End

Service	Annual Budget (£)	Profiled Budget (£)	Actual Expenditure (£)	Committed Expenditure (£)	Total Expenditure (£)	Variance to profile (£)	Profiled Budget Spent (%)	Annual Budget Spent (%)	Projected Expenditure (£)	Projected Under / Over (£)	Variance (%)
Housing General Fund											
Disabled Facilities Grants	845,226	60,000	55,427	0	55,427	(4,573)	92	7	845,226	0	0
Residential Site for Gypsies and Travellers	490,841	31,217	31,217	0	31,217	(0)	100	6	31,217	(459,624)	(94)
Compulsory Purchase Scheme	130,000	100,000	116,325	0	116,325	16,325	116	89	130,000	0	0
Affordable Housing	30,650	0	0	0	0	0	0	0	30,650	0	0
TOTAL	1,496,717	191,217	202,970	0	202,970	11,753	106	14	1,037,093	(459,624)	(31)
Housing HRA											
Central Heating Contract	800,000	549,387	441,477	0	441,477	(107,910)	80	55	800,000	0	0
Housing Maintenance Unit Vehicles	27,383	27,383	27,383	0	27,383	0	100	100	27,383	0	0
Planned Maintenance Contract	3,955,000	612,474	493,623	154,581	648,204	35,730	106	16	2,500,000	(1,455,000)	(37)
Energy Performance Improvement	1,000,000	62,178	52,178	0	52,178	(10,000)	84	5	250,000	(750,000)	(75)
Environmental Works	870,667	62,676	80,304	390	80,694	18,018	129	9	500,000	(370,667)	(43)
Acquisition of Existing Properties and Development of new properties	5,479,000	2,100,000	2,063,585	66,383	2,129,968	29,968	101	39	6,006,131	527,131	10
Public Sector Adaptations	400,000	143,050	83,362	117,392	200,754	57,704	140	50	400,000	0	0
Fire Risk	600,000	7,737	3,090	26,255	29,345	21,608	379	5	600,000	0	0
Contaminated Land	1,950	1,925	975	0	975	(950)	51	50	1,950	0	0
WHQS	1,900,000	446,548	403,896	0	403,896	(42,652)	90	21	1,000,000	(900,000)	(47)
TOTAL	15,034,000	4,013,358	3,649,873	365,001	4,014,874	1,516	100	27	12,085,464	(2,948,536)	(20)
Lifelong Learning											
Disabled Access in Education Buildings	144,512	0	0	0	0	(0)	0	0	144,512	0	0
Refurbish Education Buildings	2,847,218	1,300,000	1,353,102	61,057	1,414,159	114,159	109	50	2,847,218	0	0
School Safety	136,792	10,000	8,643	0	8,643	(1,357)	86	6	136,792	0	0
Canolfan Addysg y Bont - Roof	2,490,852	1,300,000	1,295,498	2,636	1,298,134	(1,866)	100	52	2,490,852	0	0
Canolfan Addysg y Bont - Classroom	90,000	90,000	0	90,000	90,000	0	100	100	90,000	0	0
Resurfacing Play Area	18,756	5,000	5,310	0	5,310	310	106	28	18,756	0	0
Flying Start Capital Grant	50,000	2,000	1,886	525	2,411	411	121	5	50,000	0	0
Free School Meals Grant	1,379,380	185,000	182,418	0	182,418	(2,582)	99	13	1,379,380	0	0
External Canopies	371,000	200,000	44,375	173,875	218,250	18,250	109	59	371,000	0	0
Community Focused Schools Grant	475,530	0	0	0	0	(0)	0	0	475,530	0	0
Additional Learning Needs Grant	475,530	0	0	0	0	(0)	0	0	475,530	0	0
Increasing Capacity for Childcare Grant (PM costs and grant scheme)	42,907	25,000	25,145	225	25,370	370	101	59	42,907	0	0
Completion of Band A Programme	4,973,892	2,600,000	2,443,349	158,826	2,602,175	2,175	100	52	4,973,892	0	0
Commencement of Band B Programme	2,218,342	280,000	261,537	15,142	276,679	(3,322)	99	12	2,218,342	0	0
TOTAL	15,714,711	5,997,000	5,621,263	502,286	6,123,548	126,548	102	39	15,714,711	0	0

APPENDIX B

Service	Annual Budget (£)	Profiled Budget (£)	Actual Expenditure (£)	Committed Expenditure (£)	Total Expenditure (£)	Variance to profile (£)	Profiled Budget Spent (%)	Annual Budget Spent (%)	Projected Expenditure (£)	Projected Under / Over (£)	Variance (%)
Economic and Regeneration											
Leisure Improvements	125,612	0	0	0	0	(0)	0	0	125,612	0	0
Amlwch Fitness Suite	13,845	7,500	7,506	0	7,506	6	100	54	13,845	0	0
David Hughes Fitness Suite	118,000	118,000	99,991	19,644	119,635	1,635	101	101	121,000	3,000	3
Amlwch 3G Pitch	138,110	138,110	117,443	20,667	138,110	0	100	100	138,110	0	0
Tourism Gateway	50,000	15,000	0	18,439	18,439	3,439	123	37	50,000	0	0
Breakwater Park	525,000	100,000	60,479	75,601	136,080	36,080	136	26	525,000	0	0
Penrhos Phase 2	2,279,410	1,000,000	934,472	235,246	1,169,718	169,718	117	51	2,279,410	0	0
Penrhos Phase 3	600,000	300,000	134,080	154,800	288,880	(11,120)	96	48	600,000	0	0
Economic Development & Environmental Wellbeing	109,600	0	0	0	0	(0)	0	0	109,600	0	0
Porth Wrach Slipway – Enforcement Cameras	30,000	0	0	0	0	(0)	0	0	30,000	0	0
Newry Community Centre	200,000	120,000	88,068	37,790	125,858	5,858	105	63	200,000	0	0
Gateway Units (ERDF)	1,067,908	1,000,000	1,013,681	22,818	1,036,499	36,499	104	97	1,067,908	0	0
Gateway Site JV	261,069	60,000	38,561	23,875	62,436	2,436	104	24	261,069	0	0
Maritime Infrastructure	200,000	20,000	0	51,455	51,455	31,455	257	26	20,000	(180,000)	(90)
Visitor Infrastructure	200,000	0	0	0	0	(0)	0	0	60,000	(140,000)	(70)
Melin Llynnon	185,000	10,000	5,975	6,175	12,150	2,150	0	7	185,000	0	0
Transforming Towns Covid Grant	10,064	0	0	0	0	(0)	0	0	10,064	0	0
Môn Coastal Gateway	310,000	2,000	1,450	460	1,910	(90)	96	1	310,000	0	0
Amlwch Port Grant	3,836	7,850	7,850	0	7,850	0	100	205	7,850	4,014	105
TOTAL	6,427,454	2,898,461	2,509,556	666,970	3,176,526	278,066	110	49	6,114,468	(312,986)	(5)
Highways											
Upgrade Pay and Display Machines in Car Parks	4,533	5,500	0	5,469	5,469	(32)	99	121	5,500	967	21
Vehicles	573,745	145,000	7,938	135,979	143,917	(1,083)	99	25	573,745	0	0
Highways Resurfacing	2,000,000	1,200,000	1,210,826	0	1,210,826	10,826	101	61	2,000,000	0	0
Llansadwrn Flood Alleviation	32,291	0	0	0	0	(0)	0	0	0	(32,291)	(100)
Holyhead & Amlwch Drainage Studies	65,420	15,000	13,678	0	13,678	(1,322)	91	21	65,420	0	0
Red Wharf Bay Flood Scheme	23,933	1,000	1,295	0	1,295	295	130	5	10,000	(13,933)	(58)
Llanfair Flood Scheme	397,649	250	256	0	256	6	103	0	15,000	(382,649)	(96)
FBC Menai Flood Scheme	167,271	30,000	30,627	0	30,627	627	102	18	53,000	(114,271)	(68)
FBC Valley Flood Scheme	41,349	10,000	11,200	0	11,200	1,200	112	27	15,000	(26,349)	(64)
Valley Construction	472,841	400,000	376,016	13,476	389,492	(10,508)	97	82	472,841	0	0
Flood Relief Schemes (Match Funding)	135,800	0	0	0	0	(0)	0	0	0	(135,800)	(100)
Traeth Coch (Match Funding)	235,000	0	0	0	0	(0)	0	0	0	(235,000)	(100)
Mill Lane Structure	42,258	30,000	29,065	0	29,065	(935)	97	69	42,258	0	0
Dwyran Ordinary Watercourse NFM	21,528	11,000	11,786	0	11,786	786	107	55	21,528	0	0
Mill Lane - NFM	241,640	0	0	0	0	(0)	0	0	70,000	(171,640)	(71)
Invest to Save - Vehicles	5,068	0	0	0	0	(0)	0	0	5,068	0	0
Small scale grants work	539,288	70,000	66,949	0	66,949	(3,051)	96	12	539,288	0	0
Active Travel	537,500	100,000	91,092	10,250	101,342	1,342	101	19	537,500	0	0
Resilient Roads Fund	230,000	10,000	15,729	0	15,729	5,729	157	7	230,000	0	0
Local Transport Fund - Infrastructure enhancements	672,878	672,878	672,878	0	672,878	0	100	100	672,878	0	0
Local Transport Fund - Bus Infrastructure enhancements	630,000	10,000	8,927	0	8,927	(1,073)	89	1	630,000	0	0
Vehicle Transformation Fund - Electric Vehicle Charge Points	127,797	110,000	128,010	0	128,010	18,010	116	100	128,010	213	0
Electric Vehicle Charging Infrastructure	275,527	100,000	62,674	52,229	114,903	14,903	115	42	275,527	0	0
TOTAL	7,473,315	2,920,629	2,738,946	217,403	2,956,349	35,720	101	40	6,362,562	(1,110,753)	(15)
Waste Management											
Roller Packer	28,750	28,750	28,750	0	28,750	0	100	100	28,750	0	0
Circular Economy Funding (265)	5,836	2,400	2,400	0	2,400	0	100	41	5,836	0	0
IVC Works	36,620	20,000	23,025	0	23,025	3,025	115	63	36,620	0	0
Recycling Equipment	380,000	0	0	0	0	(0)	0	0	100,000	(280,000)	(74)
TOTAL	451,206	51,150	54,175	0	54,175	3,025	106	12	171,206	(280,000)	(62)

APPENDIX B

Service	Annual Budget (£)	Profiled Budget (£)	Actual Expenditure (£)	Committed Expenditure (£)	Total Expenditure (£)	Variance to profile (£)	Profiled Budget Spent (%)	Annual Budget Spent (%)	Projected Expenditure (£)	Projected Under / Over (£)	Variance (%)
Property											
Refurbish Existing Assets	1,022,297	200,000	161,746	0	161,746	(38,254)	81	16	1,022,297	0	0
Invest To Save Property	77,068	0	0	0	0	(0)	0	0	77,068	0	0
Low Carbon Heat Grant - Council Offices	120,563	0	0	0	0	(0)	0	0	120,563	0	0
Low Carbon Heat Grant - Moelfre Primary School	9,125	0	0	0	0	(0)	0	0	9,125	0	0
Smallholding Refurbishments	83,677	40,000	36,553	950	37,503	(2,497)	94	45	83,677	0	0
Upgrade Public Conveniences	418,000	0	0	0	0	(0)	0	0	40,000	(378,000)	(90)
TOTAL	1,730,730	240,000	198,299	950	199,249	(40,751)	83	12	1,352,730	(378,000)	(22)
Transformation											
ICT- Core Infrastructure	200,000	160,000	155,744	16,885	172,629	12,629	108	86	200,000	0	0
ICT - Desktop Refresh	250,000	240,000	239,400	0	239,400	(600)	100	96	250,000	0	0
ICT - Anglesey Connected (AC) to PSBA transition	72,708	5,000	0	4,550	4,550	(450)	91	6	25,000	(47,708)	(66)
ICT - Upgrade meeting rooms	50,000	1,000	945	0	945	(55)	0	2	15,000	(35,000)	(70)
Hwb IT	138,514	20,000	18,091	0	18,091	(1,909)	0	13	138,514	0	0
TOTAL	711,222	426,000	414,180	21,435	435,615	9,615	102	61	628,514	(82,708)	(12)
Planning											
Holyhead Landscape Partnership	100,000	0	0	0	0	(0)	0	0	100,000	0	0
Holyhead Regeneration (THI Phase II)	950,000	200,000	47,966	143,262	191,228	(8,772)	96	20	950,000	0	0
TOTAL	1,050,000	200,000	47,966	143,262	191,228	(8,772)	96	18	1,050,000	0	0
Adult Services											
ICF	1,457,411	70,000	48,035	17,627	65,662	(4,338)	94	5	1,457,411	0	0
Bryn Hwfa Community Hub	13,155	0	0	0	0	(0)	0	0	13,155	0	0
Plas Crigyll Refurbishment	45,535	45,535	45,535	0	45,535	(0)	0	100	45,535	0	0
Plas Mona Refurbishment	120,000	0	0	0	0	(0)	0	0	120,000	0	0
TOTAL	1,636,101	115,535	93,569	17,627	111,197	(4,339)	96	7	1,636,101	0	0
TOTAL	51,725,456	17,053,350	15,530,796	1,934,934	17,465,730	412,380	102	34	46,152,849	(5,572,608)	(11)

Changes to budgets / additional schemes added since budget setting

Scheme	Budget £	FUNDING					
		Grant £	Revenue Contribution £	Capital Receipts Reserve £	Capital Reserve £	Supported borrowing £	Unsupported borrowing £
Flying Start	50,000	50,000					
Active Travel	537,500	537,500					
Resilient Roads	230,000	230,000					
Small Scale Schemes	399,287	353,959				45,328	
Flood match pot	(49,500)					(49,500)	
Roller Packer	28,750				28,750		
IVC Capital Works	36,620			36,620			
Amlwch 3G	75,000	75,000					
Canolfan Addysg Y Bont Roof	1,500,000				1,500,000		
David Hughes Fitness overspend	18,000				18,000		
Penrhos Phase 3	600,000	600,000					
Compulsory Purchase	130,000			130,000			
Breakwater Park	525,000	525,000					
Penrhos Phase 2	580,520	580,520					
Môn Coastal Gateway	248,000	248,000					
Hwb IT	138,514	138,514					
Newry Community Centre	200,000				200,000		
Landscape Partnership	(90,000)	(90,000)					
Mill Lane Structure	15,000	12,750			2,250		
Holyhead & Amlwch Flood	50,542	50,542					
Bus Infrastructure	630,000	630,000					
Community Focused Schools	475,530	475,530					
Additional Learning Needs	475,530	475,530					
Menai Bridge FBC	45,376	45,376					
Free School Meals	832,177	832,177					
Addysg y Bont - Classroom	90,000			90,000			
Melin Llynon	82,000	82,000					
Valley Construction	98,885	84,052			14,833		
AONB Green Recovery	(237,774)	(237,774)					
Childcare capital scheme	(45,331)	(45,331)					
THI Phase II	525,000	525,000					
Visitor Gateway	(170,000)	(170,000)					
Gateway ERDF	196,073	196,073					
Band B Graig	(2,611,658)	(1,214,578)				(654,080)	(743,000)
Band A Corn Hir	1,205,892	1,569,495					(363,603)
ICF	1,457,411	605,845	266,001			585,565	
TOTAL	8,272,344	7,165,180	266,001	256,620	1,763,833	(72,687)	(1,106,603)

Isle of Anglesey County Council	
Report to:	EXECUTIVE COMMITTEE
Date:	29 NOVEMBER 2022
Subject:	HOUSING REVENUE ACCOUNT BUDGET MONITORING, QUARTER 2 2022/23
Portfolio Holder(s):	COUNCILLOR ROBIN WYN WILLIAMS – PORTFOLIO HOLDER FINANCE, CORPORATE BUSINESS AND CUSTOMER EXPERIENCE
Head of Service / Director:	MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER
Report Author: Tel: E-mail:	BETHAN HUGHES OWEN 01248 752663 BETHANOWEN2@YNYSMON.LLYW.CYMRU
Local Members:	n/a
A –Recommendation/s and reason/s	
<p>1. The Executive is requested to note the following:-</p> <ul style="list-style-type: none"> (i) The position set out in respect of the financial performance of the Housing Revenue Account (HRA) for Quarter 2 2022/23. (ii) The forecast outturn for 2022/23. <p>2. Background</p> <ul style="list-style-type: none"> (i) The report here shows the revenue budget with a budgeted surplus of £6,218k. (ii) The capital budget for 2022/23 is £15,034k. This was to be part funded by grants (£2,688k). (iii) The combination of both the revenue budget and adjusted capital budget gave a planned budget deficit of £6,128k, which would be funded from the HRA reserve. (iv) The HRA is ‘ringfenced’, and its reserves cannot be transferred to the General Fund, nor can General Fund reserves be used to fund the HRA. <p>3. This report sets out the financial performance of the HRA for the period from 1st April 2022 to 30th September 2022.</p> <p>4. Overview</p> <ul style="list-style-type: none"> 4.1 The HRA revenue surplus / deficit at the end of Quarter 2 shows an overspend of £493k, compared to the profiled budget. The forecast has been reviewed, and shows a forecast overspend of £958k. £298k of this overspend relates to the 2022/23 pay award, which the HRA is required to fund in full. More detail is shown in Appendix A. 4.2 The Capital expenditure is £2k above the profiled budget. The profiled budget assumes that much of the work is carried out in the second half of the year. The forecast expenditure for the year is £2,949k below budget, as explained below. More detail is shown in Appendix B. 	

4.3 The forecast deficit (combining both revenue and capital) is now £4,137k, £1,991k below budget, largely the result of lower than budgeted capital expenditure.

5. Income

5.1 At the end of Quarter 2, the level of income received was £19k below the profiled budget as noted below.

5.2 Rental income was £32k below the profiled budget at the end of Quarter 2. The forecast has been reviewed in the light of new properties being tenanted (49 new properties have recently become available for rent) and the forecast has been increased by £32k, to £19,452k.

5.3 A similar review has taken place indicating that garage revenue is expected to be £5k better than budget, and income from service charges are expected to be £7k better than budget.

5.4 Provision for bad debt has been calculated at 1.5% of rent income, similar to last year. Currently, the total rent arrears stands at £955k, compared to £871k at the same period last year, an increase of £84k (9.6%). Given the uncertainty surrounding the rate of inflation and the long term effect it will have on the cost of living crisis, the forecast is unchanged at present, but will be kept under review and revised during the year if the level of arrears suggests that there is an increased risk of a greater level of arrears not being collected.

5.5 The overall forecast for income is an improvement of £44k compared to the annual budget.

6. Non Repairs and Maintenance Expenditure

6.1 At the end of Quarter 2, non-repairs and maintenance expenditure was £42k below the profiled budget.

6.2 The Tenant Participation heading shows an underspend of £40k at the end of Quarter 2. The budget included allowance for additional staff, however, these vacant posts have not been filled and it is not expected that they will be filled in the current financial year. Accordingly, the forecast has been reduced by £70k.

6.3 The HRA is required to fund the full effects of the 2022/23 pay award. This is estimated to cost an additional £73k under this heading, and the forecast has been amended accordingly.

7. Repairs and Maintenance

7.1 The Housing Maintenance Unit (HMU) shows an overspend of £621k at the end of Quarter 2. The volume of work orders post Covid19 restrictions remains high, and Quarter 2 expenditure is a reflection of increased demand led reactive maintenance and the number and extent of works required at change of tenancy during Quarter 2 with, typically, works underway at between 40 and 50 properties at any given time. This increase in demand is reflected in the increased use of subcontractors, expected to cost an extra £700k above the original budget. The effect of inflation on materials prices is also a cause of concern, with the additional cost of materials forecast to be over £100k higher, and utility bills a further £100k in addition. The effect of the 2022/23 pay award accounts for a further £100k. There is no indication that the level of work will decrease, therefore, the forecast is that expenditure will be £1,000k above the original budget by the end of the financial year.

7.2 Expenditure on non HMU building maintenance staff is £30k below the profiled budget at the end of Quarter 2. The forecast has been reviewed, and the expectation is that the budget will be spent in full, as the additional costs due to the 2022/23 pay award directly cancels out the underspends from vacant posts.

7.3 Expenditure on Other Repairs and Maintenance is forecast to be £50k below budget by the end of the financial year, as additional costs arising from the repair of sewage treatment works has not been required.

8. Year End Adjustments

8.1 This heading covers items of expenditure (capital financing costs and recharges from the General Fund) that form part of the year end accounting process. It is expected that the recharge from the Housing Service will overspend by £32k, and the recharge from Central services will overspend by £30k, due to the effect of the 2022/23 pay award.

9. Capital Expenditure

9.1 The capital budget totals £15,034k, which was to be funded by the Major Repairs Allowance (MRA) (£2,688k) and a contribution from the HRA reserve (£12,346k). The forecast annual expenditure has been revised to £12,085k, £2,949k below budget. The most significant variances are outlined below.

9.2 The revised Capital budget for each new build / acquisition scheme, including the total number of new units per scheme, the expenditure to date, the forecast expenditure, the forecasted under or overspend per scheme and the anticipated completion date for each scheme is shown in Appendix C.

Works on the Clwb Cymdeithasol Biwmares site are running slightly behind schedule. It is anticipated that these works will be completed by December 2023. Therefore, we are forecasting an underspend of £281k on this project in 2022/23.

The Ysgol Llanfachraeth project has run over budget to the value of £58k, this is mainly due to unforeseen drainage works encountered during the course of the contract.

It was initially anticipated that the purchase of 10 affordable dwellings from Clwyd Alyn at the Pentraeth site would have been completed during the 2023/24 Financial Year. However, following recent negotiations between the Authority and Clwyd Alyn, it has been agreed that we will be contributing towards the cost of these dwellings as they are being constructed. These dwellings will be held as assets under construction until they have been completed. It is anticipated that we will overspend by £750k on this project in the current financial year, as these costs were not initially budgeted for in 2022/23.

9.3 The WHQS project has been delayed whilst the design for the new kitchen programme is completed. This originally involved 135 properties. The programme now envisages 80 properties being completed, and tender documentation has now been issued. Detailed forecasting and project specification work within the Housing department has identified a further slippage of £47k compared to Quarter 1 forecasts.

9.4 The Energy Performance budget relies on consultation with the District Network Operator (DNO) prior to installing Solar PV panels to generate renewable electricity. Unfortunately, gaining DNO approval to undertake large scale Solar PV work has been and continues to be difficult, due to a requirement to reinforce the network prior to installing Solar PV. It has been confirmed that the necessary strengthening works will be carried out at the DNO's expense, resulting in a further £412k underspend compared to our Quarter 1 forecast.

9.5 The approved public sector planned maintenance budget for 2022/23 is in the sum of £9,555k. During Quarter 2, major external planned maintenance works at Llangoed and Llanddona continued on site, with the works now practically complete. A contract for the replacement of over 300 gas boilers continued on site and progressed well during Quarter 2. The main traditional planned maintenance contract scheduled for 2022/23 involves properties at Cemaes Bay.

9.6 The environmental budget allows for significant investment involving upgrading sewage disposal arrangements at Carreglefn, in order to comply with requirements set out by Natural Resources Wales (NRW). The proposed solution involves negotiations with a private land owner and securing a Permit for the scheme from NRW. Whilst the permit has been approved, discussions are still ongoing with the land owner and the contractor. Realistically work is not expected to commence before the turn of the current financial year, resulting in a further underspend of £113k compared to our Quarter 1 forecast.

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

10. HRA Balance

10.1 The opening balance of the HRA reserve stood at £12,333k. The revised budget allowed for the use of £6,128k of this balance. However, the revised forecasts highlighted above will use only £4,137k. This will give a reserve balance of £8,196k by the end of the financial year. This balance is 'ringfenced' and is, therefore, only available to fund future HRA expenditure.

B – What other options did you consider and why did you reject them and/or opt for this option?

Not applicable

C – Why is this a decision for the Executive?

This matter is delegated to the Executive.

Ch – Is this decision consistent with policy approved by the full Council?

Yes

D – Is this decision within the budget approved by the Council?

Yes

Dd – Assessing the potential impact (if relevant):

1	How does this decision impact on our long term needs as an Island?	The report is for monitoring purposes only and is used along with other reports to set the HRA business plan and annual budget. In setting the annual budget, the impact on the long term needs of the Island will be assessed.
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2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	Not applicable
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	Not applicable
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	The Housing Service regularly consult with their tenants and the results of those consultations are fed into the business planning process and then on to the annual budget process.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	Not applicable
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	Not applicable
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.	Not applicable
E – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	The report has been considered by the Senior Leadership Team at its meeting on 7/11/2022 and the comments made 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 Senior Leadership Team
4	Human Resources (HR)	N/A
5	Property	N/A
6	Information Communication Technology (ICT)	N/A
7	Procurement	N/A
8	Scrutiny	The results of the HRA quarterly monitoring reports are reported to the Finance Scrutiny Panel.
9	Local Members	N/A
F - Appendices:		
<ul style="list-style-type: none"> Appendix A – Revenue expenditure and forecasts to end of Quarter 2 2022-23 Appendix B – Capital expenditure and forecast to end of Quarter 2 2022-23. Appendix C – New Build / Acquisition capital schemes 		
Ff - Background papers (please contact the author of the Report for any further information):		
<ul style="list-style-type: none"> HRA 30 Year Business Plan 2022/52 (as approved by this Committee in May 2022). 		

HRA ACCOUNT 2022/23						
	Annual Budget 2022/23	Profiled Budget to Month 6	Actual to Month 6	Variance to Month 6	Year End Forecast	Year End Variance
	£	£	£	£	£	£
REVENUE ACCOUNT						
Income						
Dwellings	(19,420,000)	(9,904,200)	(9,872,330)	31,870	(19,452,000)	(32,000)
Garages	(223,000)	(113,730)	(116,336)	(2,606)	(228,000)	(5,000)
Service Charges	(201,000)	(102,509)	(94,922)	7,587	(208,000)	(7,000)
Other	(207,860)	(60,961)	(78,670)	(17,709)	(207,860)	0
Bad Debt Provision	296,000	0	0	0	296,000	0
TOTAL INCOME	(19,755,860)	(10,181,400)	(10,162,258)	19,142	(19,799,860)	(44,000)
Non Repairs & Maintenance Expenditure						
Tenant Participation	260,653	130,292	90,270	(40,022)	190,653	(70,000)
Rent Administration	500,013	249,673	242,685	(6,988)	530,013	30,000
Estate Management	180,788	90,238	88,267	(1,971)	195,788	15,000
Other Revenue Expenditure	1,770,934	566,197	572,850	6,653	1,785,934	15,000
Total Non R & M Expenditure	2,712,388	1,036,400	994,072	(42,328)	2,702,388	(10,000)
Repairs and Maintenance						
Housing Maintenance Unit (HMU)	3,795,464	1,897,465	2,518,035	620,570	4,795,464	1,000,000
Building Maintenance Staff (non HMU)	958,583	478,333	448,449	(29,884)	958,583	0
Other Repairs and Maintenance	793,655	489,171	414,651	(74,520)	743,655	(50,000)
Total Repairs & Maintenance	5,547,702	2,864,969	3,381,135	516,166	6,497,702	950,000
Year End Adjustments						
Capital Financing Charges	3,674,000	0	0	0	3,674,000	0
Recharge from Housing Services	790,630	0	0	0	822,630	32,000
Recharge from Central Services	812,831	0	0	0	842,831	30,000
Total Year End Adjustments	5,277,461	0	0	0	5,339,461	62,000
TOTAL REVENUE EXPENDITURE	13,537,551	3,901,369	4,375,207	473,838	14,539,551	1,002,000
TOTAL REVENUE (SURPLUS) / DEFICIT	(6,218,309)	(6,280,031)	(5,787,051)	492,980	(5,260,309)	958,000

CAPITAL EXPENDITURE ACCOUNT						
2022/23 Expenditure	15,034,000	4,013,358	4,014,874	1,516	12,085,464	(2,948,536)
Major Repairs Allowance	(2,688,000)	0	0	0	(2,688,000)	0
Other Grants / Borrowing	0	0	0	0	0	0
TOTAL CAPITAL (SURPLUS) / DEFICIT	12,346,000	4,013,358	4,014,874	1,516	9,397,464	(2,948,536)
NET (INCREASE) / DECREASE IN HRA RESERVE	6,127,691	(2,266,673)	(1,772,177)	494,496	4,137,155	(1,990,536)
Opening HRA Balance	(12,333,000)				(12,333,000)	
Net (Increase) / Decrease in HRA Reserve	6,127,691				4,137,155	
Closing HRA Balance	(6,205,309)				(8,195,845)	

Service	Annual Budget (£)	Profiled Budget (£)	Total Expenditure (£)	Variance To Profile (£)	Projected Expenditure (£)	Projected Under / Over (£)
<u>Housing HRA</u>						
Central Heating Contract	800,000	549,387	441,477	(107,910)	800,000	0
Planned Maintenance Contract	3,955,000	612,474	648,204	35,730	2,500,000	(1,455,000)
Energy Performance Improvement	1,000,000	62,178	52,178	(10,000)	250,000	(750,000)
Environmental Works	870,667	62,676	80,694	18,018	500,000	(370,667)
Acquisition of Existing Properties / Development of New Properties	5,479,000	2,100,000	2,129,968	29,968	6,006,131	527,131
Public Sector Adaptations	400,000	143,050	200,754	57,704	400,000	0
Fire Risk	600,000	7,737	29,345	21,608	600,000	0
WHQS	1,901,950	448,473	404,871	(43,602)	1,001,950	(900,000)
Housing Maintenance Unit Vehicles	27,383	27,383	27,383	0	27,383	0
Totals for Housing HRA	15,034,000	4,013,358	4,014,874	1,516	12,085,464	(2,948,536)

Scheme	Number of Additional Units	2022-23 Budget	Expenditure to P6	Forecasted Expenditure P7 to P12	Total Forecasted Expenditure 2022-23	Overspend/ (Underspend)	Estimated Completion Date
Pentraeth (Clwyd Alyn)	10	0	0	750,000	750,000	750,000	August 2023
Armenia St, Caergybi	5	8,000	(6,610)	14,610	8,000	0	Complete
Retentions from 2021-22	1	16,000	16,000	0	16,000	0	Complete
Marquis, Rhosybol	15	34,000	10,802	23,198	34,000	0	Complete
Ysgol Llanfachraeth	8	100,000	158,004	0	158,004	58,004	Complete
Extra Care	55	100,000	8,821	91,179	100,000	0	December 2026
Plas Alltran, Caergybi	4	250,000	(3,596)	253,596	250,000	0	December 2023
Ysgol Llaingoch, Caergybi	26	300,000	678	299,322	300,000	0	Complete
Cae Braenar, Caergybi	23	460,000	6,528	453,472	460,000	0	September 2024
Parc y Coed, Llangefni	12	500,000	3,973	496,027	500,000	0	November 2023
Clwb Cymdeithasol Biwmares	6	1,000,000	119,126	600,000	719,126	(280,874)	December 2023
Renovation of 15 units	0	1,318,955	424,197	894,759	1,318,956	0	August 2023
Buyback 12 Units	12	1,392,045	1,392,045	0	1,392,045	0	March 2023
Total Allocation 2022-23	177	5,479,000	2,129,968	3,876,163	6,006,131	527,131	

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Isle of Anglesey County Council	
Report to:	EXECUTIVE COMMITTEE
Date:	29 NOVEMBER 2022
Subject:	THE COUNCIL TAX BASE FOR 2023/24
Portfolio Holder(s):	COUNCILLOR ROBIN WILLIAMS PORTFOLIO HOLDER - FINANCE, CORPORATE BUSINESS AND CUSTOMER EXPERIENCE
Head of Service / Director:	MARC JONES - DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER
Report Author: Tel: E-mail:	MARC JONES - DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER 01248 752601 rmjfi@ynysmon.llyw.cymru
Local Members:	N/A

A –Recommendation/s and reason/s

I recommend that the Executive makes the following decisions:-

1. To note the calculation of the Council Tax Base by the Director of Function (Resources) / Section 151 Officer, this will be used by the Welsh Government in the calculation of the Revenue Support Grant for the Isle of Anglesey County Council for the 2023/24 financial year, being **31,272.36** (see **Appendix A** in respect of the calculation of the Council Tax Base for this purpose – Part E6).
2. That the calculation by the Director of Function (Resources) / Section 151 Officer for the purpose of setting the Council Tax Base for the whole and parts of the area for the year 2023/24 is approved (see **Appendix A** for the calculation of the tax base – Part E5).
3. That, in accordance with the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995 (SI19956/2561) as amended by SI1999/2935 and the Local Authorities (Calculation of Council Tax Base) and Council Tax (Prescribed Classes of Dwellings) (Wales) (Amendment) Regulations 2004 and the Local Authorities (Calculation of Council Tax Base) (Wales) (Amendment) Regulations 2016, the amounts calculated by Isle of Anglesey County Council as its tax base for the year 2023/24 shall be **32,819.56**, and as follows for the parts of the area listed below :-

Amlwch	1,561.06
Beaumaris	1,102.52
Holyhead	4,161.60
Llangefni	2,111.52
Menai Bridge	1,489.58
Llanddaniel-fab	377.55
Llanddona	418.99
Cwm Cadnant	1,203.84
Llanfair Pwllgwyngyll	1,338.51
Llanfihangel Ysceifiog	711.47
Bodorgan	476.72
Llangoed	690.37
Llangristiolus and Cerrigceinwen	645.45

Llaneilian	614.45
Llannerch-y-medd	539.14
Llaneugrad	193.38
Llanfair Mathafarn Eithaf	1,936.09
Cylch y Garn	411.89
Mechell	588.55
Rhos-y-bol	485.78
Aberffraw	306.64
Bodedern	429.12
Bodffordd	420.51
Trearddur	1,419.34
Tref Alaw	273.58
Llanfachraeth	237.27

Llanidan	426.02	Llanfaelog	1,389.80
Rhosyr	1,055.40	Llanfaethlu	277.23
Penmynydd	259.29	Llanfair-yn-Neubwll	585.82
Pentraeth	596.47	Valley	1,048.41
Moelfre	672.00	Bryngwran	365.06
Llanbadrig	702.26	Rhoscolyn	383.28
Llanddyfnan	531.14	Trewalchmai	382.46

REASONS AND BACKGROUND

The calculations have been made in accordance with the Welsh Government Guidelines for Council Tax Dwellings (CT1 v.1.0) 2023/24 based on the number of properties in various bands on the valuation list on 31 October 2022 and summarised by the Authority under Section 22B (7) of the Local Government Finance Act 1992. The calculations take into account discounts, exemptions and premiums as well as changes to the valuation list likely during 2023/24.

The Isle of Anglesey County Council, as the billing authority, is required to calculate the Council Tax Base for its area and different parts of its area and these amounts must be notified to the precepting and levying bodies by 31 December 2022. This year, the Welsh Government has requested the information for the purpose of setting the Revenue Support Grant by 14 November 2022, and for tax setting purposes (ratified by Executive decision) by 6 January 2023.

The calculations in **Appendix A** are based on discounts of nil being confirmed for Classes A, B and C; the premium of 100% on long term empty homes and a premium of 75% on second homes for 2023/24 are based on the Executive's intentions set out in their meeting on 25 October 2021 to increase the second home premium (subject to ratification by the Executive). The calculations are also based on the full Council decision at its meeting on 11 December 2018, that its current local Council Tax Reduction Scheme would apply for subsequent years unless substantially amended. For 2023/24, only the usual benefit upratings will apply. The Welsh Government is continuing to fully meet the costs of the previous UK national scheme, but costs arising from caseloads and / or increase in Council Tax will fall on local councils.

THE COUNCIL TAX BASE FOR CALCULATING THE REVENUE SUPPORT GRANT

The total band D equivalent discount, before adjusting for the collection rate (and which includes allowance for Ministry of Defence properties), will be used in calculating claims for the Revenue Support Grant for 2023/24. This total, which is used in calculating the RSG, excludes adjustments for premiums and discounts granted by some authorities in respect of Classes A, B and C (this does not affect the Isle of Anglesey as no such discounts are granted). This figure is calculated to be 31,272.36 (compared to 31,079.93 for 2022/23). This is an increase of 0.62%.

THE TAX BASE FOR TAX SETTING PURPOSES

The total band D equivalent discount that is used for tax setting purposes has been adjusted by a provision for non-collection, which continues to be 1.5%, and also includes allowance for Ministry of Defence properties. This figure is calculated to be 32,819.56. Note, therefore, that the figures under recommendation 3 includes the adjustments for premiums.

The total base proposed for 2023/24 for the purpose of tax setting purposes is 32,819.56. This compares with 32,042.00 for 2022/23 and is an increase of 2.43%. A number of factors impact on the taxbase, including the number of new properties that are estimated to be added to the Council Tax register in 2023/24, the number of exemptions and discounts granted and the number subject to the empty property and second homes premium and the premium percentage. The increase in the second homes premium, from 50% to 75% in 2023/24, has resulted in a significant increase in the taxbase and, without the increase in the premium percentage, the taxbase would only have risen 0.65%.

The tax base for long term empty properties for 2023/24 is 311.69, as compared to 303.93 for 2022/23 and is as a result of an increase of 13 empty properties which are subject to the empty property premium.

The tax base for second homes for 2023/24 is 1,703.21, as compared to 1,122.30 for 2022/23. The increase reflects an increase of 39 in the number of properties which are currently subject to the premium, but the increase in the premium rate from 50% to 75% also has a significant impact on this element of the taxbase.

The change in the taxbase impacts on the Council's starting point for the revenue budget for 2023/24, and this will be covered in more detail in subsequent budget reports to the Executive. However, to summarise, the increase in the number of properties subject to the standard Council Tax will generate an additional £245k in revenue (based on the 2022/23 Council Tax charge), but this will result in a loss of £280k in Aggregate External Finance (AEF) from Welsh Government (based on the Standard Spending Assessment for 2022/23 and the same estimated level of Band D Council Tax charge as 2022/23). The increase in the number of empty properties will increase the empty property premium income by £11k, but the increase in the number of properties subject to the second homes premium will generate an additional £18k. The increase in the second homes premium from 50% to 75% will generate an additional £776k in funding.

B – What other options did you consider and why did you reject them and/or opt for this option?

The full Council has the discretion, under regulations made under Section 12 of the Local Government Finance Act 1992 and, subsequently, under the Local Government Act 2003, to set discounts for prescribed classes of dwellings (mainly holiday homes and second homes (Classes A and B)). When this was introduced, the full Council decided to set a discount of nil for both prescribed classes A and B, and this has been confirmed annually thereafter. In March 2007, the full Council, on the recommendation of the Executive, also set a discount of nil for Prescribed Class C (certain types of long term empty properties) for the first time, and has done so annually thereafter.

To award discounts of 25%, 50% or 100% would be contrary to full Council policy and this option was rejected.

The full Council, on 27 February 2019, set a Council Tax premium of 100% on long term empty properties and a premium of 50% on second homes from 1 April 2022, with the intention to increase the premium on second homes to 75% from 1 April 2023. The calculation and recommendations herein are in accordance with that decision.

C – Why is this a decision for the Executive?

Until 2004, this calculation was determined by the full Council. This function has now been removed from the list of functions reserved for the full Council. Decisions relating to discounts and premiums, along with the setting of a local Council Tax Reduction Scheme, however, still remains the responsibility of the full Council rather than the Executive.

CH – Is this decision consistent with policy approved by the full Council?	
<p>The calculation of the tax base takes into account the full Council’s current approved policy on the granting of discounts for prescribed classes A, B and C, and also the full Council’s policy on awarding up to 100% Council Tax Reduction to those eligible under the Council’s local scheme.</p> <p>The calculation and recommendations herein are in accordance with that decision and also that the full Council, in its meeting on 27 February 2019, set a Council Tax premium of 100% on long term empty properties. The decision to increase the premium on second homes from 1 April 2023 to 75% will be ratified by the full Council when the budget is approved in March 2023.</p>	
D – Is this decision within the budget approved by the Council?	
<p>The tax base calculation will enable the full Council to set its Council Tax requirement to meet its approved budget for 2023/24.</p>	
DD – Impact on our Future Generations(if relevant)	
1	<p>How does this decision impact on our long term needs as an Island</p> <p>The decision will impact on the Council’s revenue budget and the implications of this decision on the long term needs of the Island will be considered as the revenue budget process continues.</p>
2	<p>Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-</p> <p>Not applicable</p>
3	<p>Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:</p> <p>Not applicable</p>
4	<p>Have Anglesey citizens played a part in drafting this way forward? Please explain how:-</p> <p>The citizens of Anglesey will be consulted on the budget proposals in due course.</p>
5	<p>Outline what impact does this decision have on the Equalities agenda and the Welsh language</p> <p>Not applicable</p>
E – Who did you consult? What did they say?	
1	<p>Chief Executive / Senior Leadership Team (SLT) (mandatory)</p> <p>No additional comments made.</p>
2	<p>Finance / Section 151(mandatory)</p> <p>Author of the report.</p>
3	<p>Legal / Monitoring Officer (mandatory)</p> <p>No additional comments made.</p>
4	<p>Human Resources (HR)</p> <p>Not applicable</p>
5	<p>Property</p> <p>Not applicable</p>
6	<p>Information Communication Technology (ICT)</p> <p>Not applicable</p>
7	<p>Procurement</p> <p>Not applicable</p>
8	<p>Scrutiny</p> <p>Not applicable</p>
9	<p>Local Members</p> <p>Not applicable</p>

F - Appendices:

Appendix A: Calculation for the Local Tax Base 2022/23

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

Welsh Government Notes for Guidance on Council Tax Dwellings (CT1) 2023/24

CALCULATION OF LOCAL TAX BASE 2022/23

	BAND	A*	A	B	C	D	E	F	G	H	I	TOTAL
Part A	CHARGEABLE DWELLINGS											
A.1	All Chargeable Dwellings		4,643	6,704	6,689	7,131	5,372	2,624	1,044	159	52	34,418
A.2	Dwellings subject to disability reduction		12	50	51	90	82	58	10	10	6	369
A.3	Adjusted chargeable dwellings (taking into account disability reductions)	12	4,681	6,705	6,728	7,123	5,348	2,576	1,044	155	46	34,418
Part B	DISCOUNT AND PREMIUM ADJUSTMENTS											
B.1	Dwellings with no discount or premium (including empty properties and second homes with no discount or premium)	6	1,851	3,601	3,821	4,393	3,646	1,840	732	96	30	20,016
B.2a	Dwellings with a 25% discount (excluding empty properties and second homes)	6	2,560	2,769	2,388	2,109	1,268	505	175	23	5	11,808
B.2b	Dwellings with a 50% discount (excluding empty properties and second homes)	0	8	9	13	15	17	3	12	4	0	81
B.3a	Dwellings with a variable discount other than 25% or 50%	0	0	0	0	0	0	0	0	0	0	0
B.3b	Dwellings with long term empty or second homes discount	0	0	0	0	0	0	0	0	0	0	0
B.3c	Dwellings with long term empty or second homes premium	0	262	326	506	606	417	228	125	32	11	2,513
B.4	Total adjusted chargeable dwellings	12	4,681	6,705	6,728	7,123	5,348	2,576	1,044	155	46	34,418
B.5	Total variable discounts	0	0	0	0	0	0	0	0	0	0	0
B.6	Long term empty property and second homes discount adjustment	0	0	0	0	0	0	0	0	0	0	0
B.7	Long term empty property and second homes premium adjustment	0	213.3	259.8	395	473.8	322	175.5	96	24.8	8.3	1,968.3

Part C CALCULATION OF CHARGEABLE DWELLINGS WITH DISCOUNTS AND PREMIUMS												
C.2	Total dwellings including discounts and premiums	44	4,250	6,268	6,520	7,062	5,345	2,624	1,090	172	53	
C.3	Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9	
C.4	Band D equivalents (rounded to two decimal places)	5.83	2,833.50	4,875.11	5,795.11	7,062.00	6,532.17	3,789.86	1,817.08	344.00	123.67	33,178.33
C.7	Total discounted dwellings excluding long term empty and second homes adjustment	11	4,037	6,008	6,125	6,588	5,023	2,448	994	147	45	
C.8	Band D equivalents excluding long term empty and second homes adjustment	5.83	2,691.33	4,673.08	5,444.00	6,588.25	6,138.61	3,536.36	1,657.08	294.5	104.42	31,133.46
Part E CALCULATION OF COUNCIL TAX BASE												
E.1	Chargeable dwellings: Band D equivalents (as per C.4)											33,178.33
E.2	Collection rate (rounded to two decimal places)											98.50%
E.3	= E1 x E2 (rounded to 2 decimal places)											32,680.66
E.4	Class O exempt dwellings: Band D equivalents (Ministry of Defence properties)											138.90
E.5	Council Tax Base for tax setting purposes (E.3 + E.4)											32,819.56
E.5b	Discounted chargeable dwellings excluding long term empty and second homes adjustment (as per C.8)											31,133.46
E.6	100% Council Tax Base for calculating Revenue Support Grant (E.5b + E.4)											31,272.36

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Executive
Date:	29 November, 2022
Subject:	Common Allocations Policy for Social Housing
Portfolio Holder(s):	Cllr Alun Mummery
Head of Service:	Ned Michael
Report Author: Tel: E-mail:	Eliw Llŷr, Strategy, Policy and Commissioning Manager, Housing Services 01248 752137
Local Members:	N/A

A –Recommendation/s and reason/s
<p>It is recommended that the Executive approves :-</p> <p>R1 A temporary partial change to the Common Allocations Policy for housing in response to the increase in the number of individuals who present as homeless, who have been placed or at risk of being placed in emergency / temporary accommodation.</p> <p>R2 that Allocations made during this period for Homeless Households is approved by the Housing Options Team Manager as these allocations would not adhere to the Common Allocations Policy.</p> <p>Background</p> <p>In accordance with the Common Allocations Policy for social housing an allocation would be made in accordance with the band that has been awarded to that application for social housing and the date order for that application within the banding.</p> <p>In an attempt to have churn within emergency accommodation and to reduce the demand on the need for emergency accommodation we propose to adapt our process to allocate one of every four properties to individuals who are within emergency accommodation or at risk of becoming homeless and not follow the Common Allocations Policy for each allocation.</p> <p>Since 1 April, 2022 Housing Services have let 145 Council houses this can be used as an indicator that will become vacant over the next few months. On this premise there would have been 36 allocations made to persons who are homeless or at risk of being homeless.</p>

Demands on the service

We have seen an increase in the number who require of support due to a combination of factors, such as an increase that receive a notice to leave their property by a private landlord, more families needed support to prevent homelessness and number of families and individuals coming to live on the Island via the Homes for Ukraine scheme.

During the last week in October there were 42 households within emergency / temporary accommodation, with 12 of these family households. We have also seen a number of arrangements via Homes for Ukraine failing with families and households moving into emergency or supported accommodation.

There has been 87 instances, since April 2022, whereby the landlord has asked the tenant to leave (s21). These instances are a mixture of single people, couples and families and not centralized within any one area or landlord. This is an unprecedented time for Housing Services, we have not experience such a high volume of notices by landlords for tenants to leave their homes. There are larger families which have been asked to leave with finding alternative accommodation being a challenge.

Historically, we have not noted the reason for the notice (section 21 or 8), as we report on the WG template and the reason for person becoming homeless. But can demonstrate that the number of households at risk of losing their home from the private sector in 2021-22 was 130 compared to 121 cases between April - October 2022.

Officers continue to have a higher case load due to the increase in presentations and the lack of opportunity to move into settled accommodation.

The rent levels for private sector housing has increased substantially on the Island since lockdown with no increase in the Local housing Allowance rate. This means, for tenants who receive some housing benefit towards their rent in the private sector the housing benefit has not increased which means a higher contribution towards rent which makes the home unaffordable and causes rent arrears.

Availability within the private sector is scarce, with an increase in the cost of renting or lack of flats / houses being available. A recent report by Propertymark states that there is an increase in the number of landlords which are selling, an increase in the number which are looking for a property as well as an increase in the rent.

By approving the above recommendations, the method of direct allocations will be implemented for 1 in every 4 according to the property type which becomes available. The number of such allocations will be monitored on a quarterly basis.

It is important to state that it is not possible to determine/ place all homeless households within the social rented properties on the Island.

Local Lettings Policies as defined within a Section 106 agreement would remain unaffected.

In addition to social housing stock, the Homeless Prevention Team are also actively seeking homes in other sectors such as the private rented sector and within supported housing.

How would this work?

Currently, within the Common Allocations Policy, 2019 there is an exceptional case caveat whereby circumstances not dealt within the Policy can be addressed. By utilising this approach 1 on every 4 allocations according to property type it will ensure that those with the most housing need would be considered sooner and offered suitable housing.

It is recommended that delegated power is given to the Housing Options Manager to approve the direct lets approach to Homeless Households during this period as the allocations made would not be in accordance with the Common Allocations Policy.

Targeted intervention can also be utilised where we know which locations are deemed to be the most in demand by Homeless Households matched to the likelihood of suitable accommodation becoming available.

Review

A procedure will be developed to accompany these changes and that any allocations made are continually reviewed to ensure that appropriate support is provided to maintain the tenancy.

Consultation

The RSL Partners, North Wales Housing, Grwp Cynefin and Clwyd Alyn have been consulted on this amendment.

B – What other options did you consider and why did you reject them and/or opt for this option?

Considering no change to the Policy would mean that those in Emergency Accommodation would remain without an offer of settled accommodation for an unknown period of time.

The availability of the private rented sector is limited and would not provide the capacity for all households who are homeless to be accommodated within this Sector.

C – Why is this a decision for the Executive?

Changes to the Common Allocations Policy is a decision for the Executive.

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D – Is this decision consistent with policy approved by the full Council?
Yes

DD – Is this decision within the budget approved by the Council?
Yes

E – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	Supportive of the intention.
2	Finance / Section 151 (mandatory)	Supportive of the intention.
3	Legal / Monitoring Officer (mandatory)	Supportive of the intention.
5	Human Resources (HR)	n/a
5	Property	n/a

6	Information Communication Technology (ICT)	n/a
7	Procurement	n/a
8	Scrutiny	
9	Local Members	
10	Any external bodies / other/s	

F – Risks and any mitigation (if relevant)		
1	Economic	none
2	Anti-poverty	none
3	Crime and Disorder	none
4	Environmental	none
5	Equalities	Equalities impact conducted – none identified
6	Outcome Agreements	none
7	Other	

FF - Appendices:

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

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Isle of Anglesey County Council	
Report to:	Executive Committee
Date:	29th of November 2022
Subject:	Disabled Facilities Grant Policy Change
Portfolio Holder(s):	Councillor Alun Mummery
Head of Service / Director:	Ned Michael, Head of Housing Services nedmichael@ynysmon.llyw.cymru
Report Author: Tel: E-mail:	Neil P Edwards
Local Members:	All

A –Recommendation/s and reason/s

R1 – That the Executive Approve the removal of the financial means test for small and medium works up to the value of £10,000, from the application process for Disabled Facilities Grant.

1. Background

The DFG is a mandatory council grant that helps to meet the costs of adapting a disabled person’s home so that they can continue to live there as independently as possible for individuals that need assistance to meet the costs.

As part of the process of applying for the Grant individuals contact Adult Services in order to arrange an assessment of the individuals needs for adaptations by an Occupational Therapist.

The works required which have been identified through the assessment would be identified in a Social Services Adaptations Care Plan for the individual.

During the process of carrying out the assessment the Occupational Therapist will explain to the individual the assistance available from the Council and will also inform clients of other suppliers which could provide the adaptations privately should they wish to follow this route.

Pre-pandemic the budget of £750,000 met demand, and was spent fully within the financial year. During the pandemic, demand has decreased, mainly due to client shielding and reduced number of physical visits by OT’s and Technical Officers.

However, the last 6 months has seen cases that were put on hold during the pandemic, come back into the system. A number of these being substantial grant awards. This is likely to put more pressure on the budget of £750,000.

A –Recommendation/s and reason/s

Welsh Government have asked Local Authorities to remove means testing for small and medium adaptations. To assist financially, each authority will receive a 10% uplift in its Enable budget to cover the additional cost.

The current Enable Grant Allocation is £92,400

2. Definition of Values of Works

- Small – works costing up to £1,000.
- Medium – works costing between £1,000 and £10,000.
- All works costing over £10,000 would be deemed as Large adaptations and would continue to be means tested.

Type of works which are generally small and medium?

- Small Adaptations – these are generally minor, urgent measures, such as grab rails. These works are already non-means tested, delivered through Enable allocation by a Care and Repair Agency, Canllaw Eryri in this instance.
- Medium Adaptations– Stairlifts, bathroom adaptations, access ramps etc. These works are currently means tested. On average, there are around 6 approved applications, per year, where the client have contributed following means testing.

3. Drivers for removing means testing from the DFG process:

- Time – Means testing can be a lengthy process. Client, who are often elderly/vulnerable, may not have access to relevant bank account, pension income details. Welsh Government record each LA's KPI for delivering DFGs. Removing means testing is likely to speed up the application process
- Clients doing without – Pre-pandemic, a piece of work was carried out on means testing. Over a 3 year period, almost half the care plans referred to Housing, would be closed/cancelled, for various reasons. Of those, 50% were closed/cancelled, for some reason relating to the means testing. This could leave a number of vulnerable people without the adaptations recommended by Social Services.

On average, the amount received as client contribution by Housing is less than £10,000 per annum.

4. Possible Effect on Demand

A – Recommendation/s and reason/s

In a post-pandemic world, it is unclear how demand for DFGs will change. Housing receive referrals from Social Services in the form of an Adaptations Care Plan (ACP), Prepared by an Occupational Therapist. All clients will have had their needs assessed, prior to the preparation of the ACP.

However, if we return to pre-pandemic levels of referrals, there could be an additional (approx.) 30 applications a year. The average value of DFG works is approximately £6,000 which could result in an additional an additional cost of £180,000.

If we were to proceed to remove the means test for small and medium adaptations and were to see an increase in the demand as noted above it is likely that this would have a negative effect on the time taken to complete adaptations as it is unlikely that the budget for DFG's would increase.

B – What other options did you consider and why did you reject them and/or opt for this option?

The option of utilising the Enable budget, as a standalone non-means tested grant, could be considered. Currently, Enable policy, provides urgent adaptations for palliative client, and/or to enable urgent hospital discharge. Some LAs, have made their Enable funding a non-means tested grant, for works up to a certain value. This makes it a first come, first served grant. There may come a point in the financial year, where the grant is fully committed. Leaving client waiting till the following year.

Why is do nothing not an option?

Welsh Government have requested each LA provide some form of non-means tested assistance.

C – Why is this a decision for the Executive?

Policy change.

Ch – Is this decision consistent with policy approved by the full Council?

Yes

D – Is this decision within the budget approved by the Council?

A sum of £750,000 has been included with the Council's Budget for 2022/23 for Disabled Facilities Grants.

D – Is this decision within the budget approved by the Council?

Additionally an Enable Grant allocation of £92,400 has been received for 2022/23.

Dd – Assessing the potential impact (if relevant):

1	How does this decision impact on our long term needs as an Island?	Providing the people of the island wider access to adaptations.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	Yes – keeping more people safe and independent in their homes. Potentially reducing hospital admissions and dependence on health care providers.
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	Welsh LAs, Care and Repair – Looking at historic means test data and DFG demand.
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	No.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	Works though DFG carried out to benefit elderly and/or disabled (including mental health) people.
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	Removal of means test for medium adaptations, potentially allows access to more people who would otherwise be unable to carry out the works to remain safe and independent in their homes.
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. Form, documents and service available bilingually.

E – Who did you consult?**What did they say?**

1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	Supportive of the intention.
2	Finance / Section 151 (mandatory)	Supportive of the intention.
3	Legal / Monitoring Officer (mandatory)	Supportive of the intention.
4	Human Resources (HR)	n/a
5	Property	n/a

E – Who did you consult?		What did they say?
6	Information Communication Technology (ICT)	n/a
7	Procurement	n/a
8	Scrutiny	
9	Local Members	

F - Appendices:
Pre Approval Report DFG

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

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