



**CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL**

**GŴYS A RHAGLEN**

**SUMMONS AND AGENDA**

ar gyfer

for a

**CYFARFOD O GYNGOR  
SIR YNYS MÔN**

**MEETING OF THE ISLE OF  
ANGLESEY COUNTY COUNCIL**

ar

on

**DYDD IAU, 7 MAWRTH 2024**

**THURSDAY, 7 MARCH 2024**

**→ am 2:00 o'r gloch yp ←**

**→ at 2:00 pm ←**

*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. MINUTES**

To submit for confirmation, the draft minutes of the extraordinary meeting of the County Council held on 19 December 2023.

### **2. DECLARATION OF INTEREST**

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

### **3. TO RECEIVE ANY ANNOUNCEMENTS FROM THE CHAIRPERSON, LEADER OF THE COUNCIL OR THE CHIEF EXECUTIVE**

### **4. PRESENTATION OF PETITIONS**

To receive any petition in accordance with Paragraph 4.1.11 of the Constitution.

### **5. TREASURY MANAGEMENT MID-YEAR REVIEW 2023/24**

To submit a report by the Director of Function (Resources)/Section 151 Officer, as presented to the Executive on 20 February 2024.

### **6. TREASURY MANAGEMENT STRATEGY STATEMENT 2024/25**

To submit a report by the Director of Function (Resources)/Section 151 Officer, as presented to the Executive on 20 February 2024.

### **7. CAPITAL STRATEGY 2024 - 2029**

To submit a report by the Director of Function (Resources)/Section 151 Officer, as presented to the Executive on 29 February 2024.

### **8. BUDGET 2024/25**

#### **(a) Medium Term Financial Strategy and Budget 2024/25**

To submit a report by the Director of Function (Resources)/Section 151 Officer, as presented to the Executive on 29 February 2024.

#### **(b) Capital Budget 2024/25**

To submit a report by the Director of Function (Resources)/Section 151 Officer, as presented to the Executive on 29 February 2024.

#### **(c) Council Tax Resolution 2024/25**

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

**9. STRATEGIC EQUALITY PLAN 2024-2028**

To submit a report by the Director of Function (Council Business)/Monitoring Officer, as presented to the Executive on 20 February 2024.

**10. POLLING DISTRICT AND POLLING PLACES REVIEW**

To submit a report by the Chief Executive.

**11. MEMBERSHIP AND CONSTITUTION OF THE STANDING ADVISORY COUNCIL ON RELIGIOUS EDUCATION (SACRE)**

To submit a report by the Director of Education, Skills and Young People.

**12. PAY POLICY STATEMENT 2024**

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

This page is intentionally left blank

**ISLE OF ANGLESEY COUNTY COUNCIL**

**Minutes of the Extraordinary hybrid meeting held on 19 December 2023**

**PRESENT:** Councillor Margaret Murley Roberts (Chair)  
Councillor Glyn Haynes (Vice-Chair)

Councillors Geraint Bebb, Non Dafydd, Paul Ellis, Jeff M Evans, Neville Evans, Douglas M Fowle, Trefor LI Hughes MBE, Aled M Jones, Carwyn Jones, Dyfed W Jones, Gwilym O Jones, John Ifan Jones, Robert LI Jones, Llinos Medi, Euryrn Morris, Pip O'Neill, Derek Owen, Llio Angharad Owen, Gary Pritchard, Dylan Rees, Alun Roberts, Dafydd Roberts, Keith Roberts, Ken Taylor, Dafydd R Thomas, Alwen Watkin, Ieuan Williams, Robin Williams, Sonia Williams, Liz Wood, Arfon Wyn.

**IN ATTENDANCE:** Chief Executive,  
Deputy Chief Executive,  
Director of Function (Council Business)/Monitoring Officer,  
Director of Function (Resources)/Section 151 Officer,  
Director of Social Services,  
Director of Education, Skills and Young People,  
Head of Housing Services,  
Head of Highways, Property and Waste,  
Head of Profession (Human Resources) & Transformation,  
Head of Regulation & Economic Development,  
Head of Democracy,  
Finance Manager (CK),  
Solicitor – Corporate Governance & Contracts (MY),  
Chief Waste Management Officer (ME),  
Service Strategy & Business Manager (GP),  
Communications Officer (GJ),  
Committee Officer (MEH).

**ALSO PRESENT:** None

**APOLOGIES:** Councillors Nicola Roberts and Jackie Lewis

**1. MINUTES**

The minutes of the extraordinary meeting of the County Council held on 26 October, 2023 were confirmed as correct.

**2. DECLARATION OF INTEREST**

None received.

**3. TO RECEIVE ANY ANNOUNCEMENTS FROM THE CHAIRPERSON, LEADER OF THE COUNCIL OR THE CHIEF EXECUTIVE.**

The Chair made the following announcements:-

- The Chair referred to the significant damage due to the fire at the Shire Hall on Sunday evening. She wished to thank the Emergency Services in protecting the residents of Glanhwfa Road and for their work throughout the year.
- Congratulations extended to Mr Paul Woodhouse, Deputy Head Teacher at Ysgol Uwchradd Caergybi Secondary School and to Ms Liah Williams, Ysgol Pencarnisiog School on their success at the 2023 North Wales Education Awards.
- Congratulations was extended to PC Lisa Thomas and Ms Angharad Jones from the Council's Social Services team for their work in tackling anti-social behaviour on Anglesey which was recognised at the North Wales Police Problem Solving Partnerships awards.
- The Chair referred that the Anglesey Community Programme also received praise recently at the Safer Communities for Wales Awards for the positive effect that it had on reducing anti-social behaviour in towns across the Island. The project won the "Partnership" category for the inclusive way that it promoted community safety.
- Congratulations extended to Mrs Annwen Morgan who has begun in her role as the new Chair of the Anglesey Welsh Language Forum.
- The Chair referred to the Age Friendly Conference held in Cardiff on the 8<sup>th</sup> of November. Ms Sioned Young, the Council's Age Friendly Anglesey Community Development Officer spoke at the Conference as did Ms Brenda Roberts, Chair of the Elderly Council on the Island.
- Congratulations extended to Anglesey's girls' netball team who competed at an Islands tournament in the Isle of Man recently.
- The Chair referred that Mr Dafydd Roberts from the Benefits Section has recently released his first Christmas single 'Amser yr Ŵyl'.
- Congratulations extended to everyone who took part in the Winter Fair in Builth Wells this year. A special congratulations to Tony and Iona Ponsonby who are tenants on one of the Council's Farms and it was nice to see the Young Farmers of Anglesey succeeding in the Winter Fair.
- Congratulations was extended to the Young Farmers for holding the National Young Farmers Eisteddfod at Mona recently.

\* \* \* \*

The Chair wished to praise the contribution of Anglesey residents who have come together to hold community events during December. She thanked all the volunteers for spreading the Christmas spirit across the Island and for their work with those less fortunate in our society.

The Chair also wished to thank those Council staff who will be working over the Christmas period to provide key services.

The Chair also thanked all the school staff and young people who have prepared and taken part in different Christmas shows across the Island.

\* \* \* \*

The Chair referred that the Christmas period can be very difficult for some families who face challenging circumstances, illness or bereavement.

Condolences were extended to any Member of the County Council or Staff who had suffered a bereavement.

Members and Officer stood as silent tribute.

#### **4. PRESENTATION OF PETITIONS**

None received.

#### **5. STATEMENT OF THE ACCOUNTS 2022/2023 AND ISA 260 REPORT**

Submitted – the report of the Director of Function (Resources)/Section 151 Officer as presented to the Governance and Audit Committee on 7 December, 2023.

The Portfolio Member for Finance said that the Statement of the Accounts for 2022/2023 and ISA 260 Report has been discussed through the scrutiny process and was presented to the Governance and Audit Committee. The Wales Audit Office have accepted the reports without the requirement for any amendments.

Councillor Robert Ll Jones referred that the Statement of Accounts needed to be available for the residents to view as to how the financial resources of the Council is spent. He referred to the Pensions Scheme of the Council and ascertained whether a separate report could be afforded due to the complexity of the scheme. He further referred that the housing arrears have risen as people are having difficulties due to the cost-of-living crisis. He further referred to environmental issues and ascertained as to how the financial resources addresses the need within each service of the Council. He considered that the Environmental Champion needs to afford an annual report on the environmental strategy of the Council and the other 12 Champions should also afford an annual report on the areas of responsibility they are responsible for to demonstrate their efforts in promoting the services they represent.

In addressing the comments by Councillor R LI Jones, the Portfolio Member for Finance said that Statement of Accounts are available on the Council's website so that residents can view as to how the financial resources of the Council is spent and quarterly reports are submitted to the Executive. He noted that the Pension Scheme is administered by Gwynedd Council and regular reports and webcasting of the Pensions Committee is available on their website and is also open for the public to attend. The Portfolio Member for Children, Youth and Housing Services referred to comment made regards the increase in rent arrears and said that there is a Financial Inclusion Team within Housing Services who are available to provide advice and support to tenants if they are facing financial difficulties. He noted that the matter was discussed recently at the Executive, and it was emphasised as to the importance that tenants who are currently not eligible for housing benefits and financial support should be encouraged to contact the Council if they are suffering any financial hardship. In response to the comments as regards to the environment the Leader of the Council said that the Council has a corporate programme to reduce carbon footprint within each service of the Council and it is reported annually as regards to the progress made. She referred to the services Champions and noted that the work they undertake are included within reports afforded to the Council and she agreed that the role of the services Champions may need to be more apparent within services annual reports.

Councillor Aled M Jones referred that historical anomalies were experienced by some teachers as regards to their Teachers' Pensions fund and he questioned whether this matter has now been resolved. He further referred as to whether Welsh Government will afford financial resources to rectify the RACC concrete issues within two secondary schools on the island. He referred also to the Wales Audit Office fee which has seen a rise of 20% which equates to £75k and he ascertained whether the WLGA could put pressure on Wales Audit Office as all local authorities are facing financial pressures on their budgets. Councillor Jones further ascertained as to whether part of the figure of £625k allocated towards Horizon's archaeological studies within the Wylfa site can be refunded as the studies have now ceased on the site and the resources could be used to promote the site for development.

In response to the comments by Councillor Aled M Jones the Portfolio Member for Finance responded that the Teachers Pension fund is dealt with separately from the Gwynedd Pension Fund and teachers have been advised to view their pension fund and their record of employment. He further responded to the Wales Audit Office fee and noted that the Council is restricted in having to undertake the services of the Wales Audit Office and they can set their fees for the service provided. He said that he agreed with the comments that the WLGA could put pressure on Wales Audit Office and that he would raise the matter when attending future meetings of the WLGA. The Leader of the Council responded to the comments as regards to the RACC concrete issues within the two secondary schools affected and noted that negotiations are still ongoing with Welsh Government as to the financial assistance to rectify the situation. She further responded as to the comments made as to the sum of £625k allocated towards Horizon's archaeological studies within the Wylfa Site and noted that the funding was part of a planning policy agreement with Horizon to develop the site. The Chief Executive said that archaeological items have been found on the site and statutory



duties will need to be conducted to treat those items and thereafter is hoped that they will be able to be displayed locally for public view.

Councillor Derek Owen highlighted that his name had been omitted from the list of Elected Members on the Wylfa Site Stakeholder Group as noted in Appendix 1 (Related Party Disclosure – Stakeholder Representation with Third Party Organisations) within the report.

**It was RESOLVED:-**

- **To accept the Statement of Accounts for 2022/2023 and to authorise the Chair of the County Council and the Director of Function (Resources)/Section 151 Officer to sign the accounts;**
- **To note the increase in the Council Fund, underspend by £72k for the financial year 2022/2023, due to an amendment made during the audit period which impacted on the Council Fund. This increases the underspend for the year from £1.212m to £1.284m.**

**6. AMENDING THE TIME ALLOWED FOR MEMBERS OF THE PUBLIC TO SPEAK IN THE PLANNING AND ORDERS COMMITTEE**

Submitted – the report of the Director of Function (Council Business)/ Monitoring Officer and Head of Regulation and Economic Development as presented to the Planning and Orders Committee held on 4 October, 2023 and thereafter a Portfolio Decision by the Portfolio Member for Planning, Public Protection and Climate Change on 24 November, 2023 was presented for the Council's acceptance.

The Portfolio Holder for Corporate and Customer Service said that the proposal is to increase the time allowed for members of the public to speak from 3 minutes to 5 minutes at the Planning and Orders Committee and the proposal has been supported by the Group Leaders and the Executive.

**It was RESOLVED to approve:-**

- **To authorise the Director of Function (Council Business)/Monitoring Officer to change to the reference in paragraph 4.6.21.6 of the Constitution from 3 minutes to 5 minutes (that is the time that members of the public are allowed to speak in the Planning Committee);**
- **To authorise the Head of Regulation & Economic Development to change any reference in the guidance relating to the procedure that members of the public are allowed to speak for 5 minutes.**

**7. RESOURCES AND RECYCLING STRATEGIC PLAN - 2023-2028**

Submitted – the report by the Head of Highways, Property and Waste as presented to the Partnership and Regeneration Scrutiny Committee held on 22 November, 2023 was presented for the Council's acceptance.

The Portfolio Member for Highways, Waste and Property said that the Resources and Recycling Strategic Plan for 2023-2028 supports the Council's key ambitions in

the Council Plan. The Council Plan states that by 2028 the Council needs to reach a recycling rate of 70% and to reach the target of net zero carbon emissions by 2030. He noted that all residents and tourists have a duty to reduce waste and to increase recycling. He further said that approving the Resources and Recycling Strategic Plan will be an example that the Council is dealing with environmental issues as part of the recycling initiative. Councillor Thomas said that the Council has a good working relationship with partner organisations within the WLGA, Welsh Government and WRAP Cymru to assist in reaching these target rates of recycling of 70% and at present the current recycling rates on Anglesey is 64% (which can vary during different periods within the year). The Portfolio Member referred to the recent six weeks public consultation which took place between 11 September and 20 October, 2023. The consultation was designed to gather feedback on the key work streams to reduce, reuse and recycle more of household waste and nearly 200 responded to the consultation process. He further said that reference has been made that the recycling box to hold cardboard is insufficient and other avenues of affording cardboard collection needs to be considered i.e. affording sacks for additional cardboard. He further noted that there is a need to re-educate people as to importance of recycling and especially the younger generation.

The Leader of the Council endorsed the recommendations within the report but as the Strategic Plan has been presented to the Council at the end of December, she proposed an amendment that the Resources and Recycling Strategic Plan be implemented from 2024-2029.

The Chair of the Partnership and Regeneration Scrutiny Committee highlighted the recommendations of the Committee held on 22 November, 2023 to the Council which included that the Resources and Recycling Strategic Plan on specific actions includes the increase in food recycling rates; that consideration needs to be given when planning applications are submitted for fast food outlets that a waste disposal bin needs to be provided; to note that recycling and waste is a corporate responsibility across a number of Council Services and that Keep Anglesey Tidy campaigns should be afforded to educate children and young people the importance of recycling; Recycling bin waste in our coastal towns and communities is an aspect that needs further attention and is a matter linked to other strategic plans such as the Destination Management Plan, the Area of Outstanding Natural Beauty Management Plan.

Councillors Jeff Evans and Pip O'Neill expressed that there has been an increase in fly-tipping in Holyhead and there is a need to help and support people who may not have the means to take the waste to the recycling facilities. The Leader of the Council responded that there are licenses available for vehicles with trailers and vans through the Waste Management Section. She noted that this process is to stop commercial vehicles from charging people to collect waste.

The Chief Executive said that a campaign has started following the Partnership and Regeneration Scrutiny Committee by the Waste Management Section and the Communication Team to highlight the concerns of fly-tipping and encourage people to be responsible for recycling waste in the correct manner.

**It was RESOLVED to accept the amendment that the Isle of Anglesey Resources and Recycling Strategic Plan be adopted for 2024-2029 (5 year plan).**

The meeting concluded at 3.15 pm

**COUNCILLOR MARGARET M ROBERTS  
CHAIR**

This page is intentionally left blank

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>
<b>Date:</b>	<b>7 MARCH 2024</b>
<b>Subject:</b>	<b>TREASURY MANAGEMENT MID-YEAR REVIEW 2023/24</b>
<b>Portfolio Holder(s):</b>	<b>COUNCILLOR R WILLIAMS, DEPUTY LEADER AND FINANCE PORTFOLIO HOLDER</b>
<b>Head of Service / Director:</b>	<b>R MARC JONES, DIRECTOR OF FUNCTION (RESOURCES) &amp; SECTION 151 OFFICER</b>
<b>Report Author:</b>	<b>CLAIRE KLIMASZEWSKI</b>
<b>Tel:</b>	<b>01248 752133</b>
<b>E-mail:</b>	<b>claire.klimaszewski@ynysmon.llyw.cymru</b>
<b>Local Members:</b>	<b>n/a</b>
<b>A –Recommendation/s and reason/s</b>	
1. To consider and accept the Treasury Management Mid-year Review Report for 2023/24.	
<b>B – What other options did you consider and why did you reject them and/or opt for this option?</b>	
The report is for scrutiny and information and the consideration of options is not applicable.	
<b>C – Why is this a decision for the Executive?</b>	
To comply with regulations issued under the Local Government Act 2003 and the CIPFA Prudential Code 2021.	
<b>CH – Is this decision consistent with policy approved by the full Council?</b>	
The report gives an update on the treasury management position whereby borrowing and investments decisions have been taken in accordance with the Treasury Management Strategy that was approved by the Council in March 2023.	
<b>D – Is this decision within the budget approved by the Council?</b>	
No decision required in respect of this report which will impact on the budgetary position of the Council.	
<b>DD – Who did you consult? What did they say?</b>	
<b>1</b>	<b>Chief Executive / Leadership Team (LT) (mandatory)</b> No additional comments.
<b>2</b>	<b>Finance / Section 151(mandatory)</b> This is the Section 151 Officer’s report.
<b>3</b>	<b>Legal / Monitoring Officer (mandatory)</b> No additional comments.
<b>4</b>	<b>Human Resources (HR)</b> Not applicable
<b>5</b>	<b>Property</b> Not applicable
<b>6</b>	<b>Information Communication Technology (ICT)</b> Not applicable
<b>7</b>	<b>Procurement</b> Not applicable
<b>8</b>	<b>Scrutiny</b> This report is for scrutiny of the Governance and Audit Committee, 8 February 2024.
<b>9</b>	<b>Local Members</b> Not applicable
<b>10</b>	<b>Other</b> The Governance & Audit Committee and Executive resolved to:- • To accept the Treasury Management Mid-Year Review report for 2023/24, and to recommend it to the full Council without comment.

<b>E – Assessing the potential impact (if relevant):</b>		
<b>1</b>	<b>How does this decision impact on our long term needs as an Island</b>	Treasury management is key to facilitating sustainability for the long-term needs of the Island as borrowing plans help to fund capital expenditure to ensure assets are available now and into the future. Treasury plans must also be affordable to ensure that future generations are not disadvantaged by Treasury Management decisions taken in the short and medium term.
<b>2</b>	<b>Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-</b>	The Treasury Management strategy and activity must be affordable to mitigate the impact on the future. Some capital expenditure funded by borrowing, such as Sustainable Communities for Learning, and other invest to save schemes funded by borrowing may help to reduce future costs.
<b>3</b>	<b>Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:</b>	Treasury Management activities often fund capital projects in partnership with other organisations, such as Welsh Government. The 21 <sup>st</sup> Century Schools Programme / Sustainable Communities for Learning new schools / extensions were/are funded with significant funding from Welsh Government.
<b>4</b>	<b>Have Anglesey citizens played a part in drafting this way forward? Please explain how:-</b>	Anglesey Citizens are consulted each year about the annual capital programme some of which is dependent on Treasury Management activities. More in-depth consultation occurs on some capital projects, such as new school builds / school reorganisations.
<b>5</b>	<b>Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.</b>	Newly built assets funded by borrowing will be compliant the Equality Act and related regulations and guidance. Annual refurbishments and replacement programmes also help to increase accessibility and enable diversity.
<b>6</b>	<b>If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.</b>	This is statutory monitoring of Treasury Management activities, not a strategic decision.
<b>7</b>	<b>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.</b>	Some of the projects funded by borrowing have a positive impact on the development and increase of the Welsh Language, such as the Welsh medium schools built as part of the 21 Century Schools Programme / Sustainable Communities for Learning Programme.
<b>F - Appendices:</b>		
Appendix A –Treasury Management Quarter 2 Report 2023/24 Appendix B – Analysis of Isle of Anglesey County Council PWLB Loans by year of Maturity Appendix C – Economic Analysis – Link Group Appendix CH – PWLB Analysis – Link Group		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
<ul style="list-style-type: none"> <li>Treasury Management Strategy Statement 2023/24 – Isle of Anglesey County Council 9 March <a href="https://democracy.anglesey.gov.uk/ieListDocuments.aspx?CId=127&amp;MIId=4049&amp;Ver=4&amp;LLL=0">https://democracy.anglesey.gov.uk/ieListDocuments.aspx?CId=127&amp;MIId=4049&amp;Ver=4&amp;LLL=0</a></li> <li>Treasury Management Quarter 1 Report 2023/24 – The Executive 24 October 2023 <a href="https://democracy.anglesey.gov.uk/ieListDocuments.aspx?CId=134&amp;MIId=4211&amp;Ver=4&amp;LLL=0">https://democracy.anglesey.gov.uk/ieListDocuments.aspx?CId=134&amp;MIId=4211&amp;Ver=4&amp;LLL=0</a></li> </ul>		

## 1. Background

- 1.1 The Treasury Management Strategy Statement (TMSS) 2023/24 provides the framework for day-to-day and medium-term treasury management. The TMSS is a key part of the Council's strategic planning processes to help identify what the Council's key priorities and objectives are for the next year and into the future.
- 1.2 Treasury management activity, in line with the TMSS, is key for implementation of the priorities of the Council Plan 2023/28, the Capital Strategy 2023/24, and several related strategic and operational plans. Capital expenditure is fundamental to ensure the Council has long-term assets, such as Council offices, schools, social care facilities, Council dwellings, ICT infrastructure, software and equipment, vehicles and equipment needed to deliver Council services and functions, and to help achieve the priorities of the Council Plan 2023/28. This includes ensuring the Council's current assets are refurbished, extended or replaced as needed and new assets built to deliver Council priorities, such as new schools.
- 1.3 Capital funding is limited, therefore, the Council funds some capital projects by means of supported borrowing, for which the Council receives funding in the annual revenue support grant from Welsh Government, or unsupported borrowing, where the annual financing costs are funded in full by the Council. Borrowing is usually fulfilled by taking out loans from the Public Works Loans Board (PWLB). This is a key part of treasury management, hence the important link to the Capital Strategy 2023/24 and implementation of the capital programme.
- 1.4 The Treasury Management Code of Practice 2021, which is statutory guidance defines treasury management as:-

*“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

## 2. Introduction

- 2.1 Treasury management involves tasks which ensure that there is enough cash in the Council general account to pay day-to-day bills and the investment of surplus cash, over what is needed in the general account. These investments must be in highly secure accounts, such as UK banks with high credit ratings as defined in the TMSS. The Council prioritises security of its funds, in line with the Code, and ensures that enough cash is instantly accessible so that the Council is able to pay suppliers, staff and benefits, at the required payment dates. The last consideration is yield, the Council invests to get the highest interest rate possible within the pool of organisations that are secure and meet the criteria in the TMSS 2023/24. The final element of Treasury Management is managing the Council's loan portfolio, to ensure that the Council's borrowing is not too high and that the revenue costs of borrowing are affordable.

**2.2** A key function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially, the longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses and, on occasion, any debt previously drawn may be restructured to meet Council risk or cost objectives.

**2.3** The Capital Strategy 2023/24, Capital Programme 2023/24 and quarterly capital budget monitoring reports are closely linked to the Council's treasury management activity. In accordance with legislation, the Council is only able to borrow for capital expenditure, not revenue costs, with the exception of when Welsh Government provides a capitalisation directive for specific exceptional revenue expenditure, such as the capitalisation of equal pay back pay. The capital strategy, the annual capital programme and TMSS all support the Council's key priorities in the Council Plan 2023/28. This report is part of the monitoring of treasury management activities during the period 1 April 2023 to 30 September 2023 to help ensure that the TMSS is complied with.

### 3. Economic Update

**3.1** The Council's external treasury management advisers, Link Group, sends several updates, such as economic and credit reports, each week, to help Council officers and Members to make the best decisions on treasury management activities. Link Group provided an economic update for the second quarter, which can be found in Appendix C. Link Group has also recently provided the following interest rate forecast:-

**Table 1 – Forecast Bank Base Rate, inflation and PWLB Rates January 2024 to September 2025.**

	15 Jan 2024	Mar 2024	Jun 2024	Sep 2024	Dec 2024	Mar 2025	Jun 2025	Sep 2025
Bank Rate (%)	5.25%	5.25%	5.25%	4.75%	4.25%	3.75%	3.25%	3.00%
CPI Inflation – Capital Economics	Dec - 3.7%	3.8%	2.9%	0.80%	0.70%	0.90%	0.6%	1.2%
5yr PWLB annuity rate (%)	4.63%	4.50%	4.40%	4.30%	4.20%	4.10%	4.00%	3.80%
10yr PWLB annuity rate (%)	4.86%	4.70%	4.50%	4.40%	4.30%	4.20%	4.10%	4.00%
25yr PWLB annuity rate (%)	5.43%	5.20%	5.10%	4.90%	4.80%	4.60%	4.40%	4.30%
50yr PWLB annuity rate (%)	5.24%	5.00%	4.90%	4.70%	4.60%	4.40%	4.20%	4.10%



- 3.2** The Bank of England's target inflation set by the Government, is 2%. Inflation started to creep up beyond this from August 2021, with the CPI rate reaching a high of 11.1% in October 2022 due to the impact of the invasion of Ukraine, which caused significant energy and food price increases. Inflation remained high for longer than anticipated, but started to decrease in April 2023 to 8.7%, with CPI reducing to 7.9% at the end of the first quarter. Inflation rates continued to decrease in the second quarter, with CPI at 6.7% at 30 September 2023.
- 3.3** At the start of the pandemic, the base rate was reduced to its lowest point at 0.1% in support of the economy. In December 2021, the Bank of England increased the rate to 0.25%, and then increased the base rate at each meeting of the Monetary Policy Committee (MPC) between 0.25% to 0.75% at its highest increase. In August 2023, the MPC increased the base rate to 5.25%, in September 2023 the rate of 5.25% remained unchanged for the first MPC meeting since December 2021. The MPC also voted for no change to the 5.25% at its meetings in November and December 2023.
- 3.4** The TMSS 2023/24 reported in March 2023, the bank base rate was expected to peak at 4.5% in the summer and that rates would reduce slowly in 2024 and 2025. In the treasury management review for quarter 1, it was highlighted that the Bank of England base rate was forecast to peak at 5.25%. The above analysis shows that the rate of 5.25% has remained unchanged for four consecutive MPC Committees. However, there is a risk of increased inflation due to supply issues resulting from the conflict in Gaza and shipping issues in the Red Sea which has resulted in wider conflict. There is now an increased risk that the base rate might peak at a higher rate in efforts to control inflation.
- 3.5** The Council benefits from a higher base rate for investment of surplus cash, which has helped the Council earn more than £1m in interest receivable. However, loans to the Council are more expensive since the Bank of England started raising interest rates to try to control inflation. External borrowing is, therefore, delayed until cash balances can no longer sustain the use of council balances to fund capital expenditure (internal borrowing).

#### **4. The Council's Position 30 September 2023.**

- 4.1** Borrowing PWLB – The Council's PWLB external borrowing remains the same as that presented in the TMSS in March 2023, except for repayment of £8k of principal on annuity loans. This is due to the need to avoid borrowing while interest rates are increasing. Instead, Council cash balances have been used to fund capital expenditure. This is in line with Link Group's advice on borrowing in the current economic climate. The opportunity cost of this is that there are less balances to invest, however, borrowing costs are higher than investment yields. To ensure the Council has enough cash to pay creditors and salaries, sufficient cash must remain in instant call accounts. Typically, the interest rates on these are much lower, so the Council is still able to make reasonable savings on interest payable while using cash balances.
- 4.2** Appendix B shows the full list of PWLB loans taken out and still payable. The oldest loan dates back to 1969, and the majority of the loans have higher interest rates than the current rates, despite the recent rise in interest rates. These are organised by the financial year the loans are due to be repaid. In addition, the present value of the loans is included in the last column to take into account that the value of money reduces over time. This shows a more realistic impact the loans will have in the future. The loans total £119.564m, but the value of these loans discounted to their present value, amount to £47.666m. The loan for £15m, which is due to be repaid in 2068/2069, is estimated at £3.190m at today's prices, using the discount rate of 3.5% for the public sector.

**Table 2a- PWLB Loans Outstanding - 30 September 2023**

<b>PWLB Loans at 30 September 2023</b>			
	<b>PWLB / PWLB Maturity £'000</b>	<b>PWLB EIP/ Annuity £ '000</b>	<b>Total PWLB Loans at 30 September 2023 £'000</b>
Loan Outstanding	119,400	164	119,564
Average life (years)	30.82	4.06	35
Average rate (%)	4.53	9.42	14

**Table 2b – Maturity Profile of PWLB Loans Outstanding 30 September 2023**

<b>Number of Years until Loan Matures</b>	<b>Principal £'m</b>	<b>Present Value of Principal £'m</b>
<1	2	2
1 to 3	1	1
4 to 6	4	3
7 to10	3	3
11 to 14	2	2
15 to 22	23	12
23 to 33	42	15
34 to 50	41	10
	<b>120</b>	<b>48</b>

- 4.3** Borrowing Salix – Salix is a Welsh Government organisation which provides interest free loans and, more recently grants for projects which support the environment and to help public sector bodies in Wales to work towards achieving their net zero target by 2030. The TMSS 2023 showed that, in February 2023, the Council had £3.099m of interest free loans outstanding with Salix. Since this time, the Council has received more of the borrowing approved by Salix due to more progress with the projects funded by loans from Salix. The Council held £4.035m of Salix loans at 30 September 2023. These loans are repaid over a period of 8 or 10 years, depending on the agreement, with 2 repayments made per year, per loan. These loans have funded LED street lighting, LED lighting in schools and leisure centres and various other sustainable projects.

**Table 3 – Other Loans Outstanding at 30 September 2023**

<b>Other Loans at 30 September 2023</b>							
	<b>Salix Loan 1 £'000</b>	<b>Salix Loan 2 £'000</b>	<b>Salix Loan 3 £'000</b>	<b>Salix Loan 4 £'000</b>	<b>Salix Loan 5 £'000</b>	<b>Salix Loan 6 £'000</b>	<b>TOTAL £'000</b>
Outstanding Balance	16.5	114.0	349.8	158.4	1,873.7	1,522.9	<b>4,035.3</b>
Repayment Date	2024/25	2025/26	2027/28	2029/30	2031/32	2035/36	
Interest rate (%)	-	-	-	-	-	-	-

## **5. Annual Investment Strategy**

- 5.1** The Treasury Management Strategy Statement (TMSS) for 2023/24, which includes the Annual Investment Strategy, was approved by the Council on 9 March 2023.
- 5.2** The Council continues to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity, aligned with the Council's risk appetite.

- 5.3** Investment rates continued to increase during the first quarter of 2023/24, which the Council has benefitted from by investing in fixed term secure investments. In August 2023, the Bank of England increased the base rate to 5.25% and it has remained at 5.25%. There is an increased risk that the base rate might peak beyond 5.25% due to the current conflict in the Middle East and impact of supply issues arising from ships being targeted in the Red Sea.
- 5.4 Creditworthiness** – There have been few changes to credit ratings over the quarter under review. However, officers continue to closely monitor these, and other measures of creditworthiness, to ensure that only appropriate counterparties are considered for investment purposes.
- 5.5 Investment Counterparty Criteria** – The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.
- 5.6 Investment Balance** – The total balance of investments at 30 September 2023 was £45.345m, as shown in Table 4 below. The yield from these investments from 1 April 2023 to 30 September 2023 was £1.088m, with the total interest receivable on the below listed investments expected to be £1.752m for 2023/24. This figure is likely to be higher as new investments are made when these mature, however, cash balances are reducing as the financial year progresses, so not all these investments will be viable to renew on maturity.

**Table 4 - Investments held 1 April 2023 to 30 September 2023**

Counterparty	Start Date	End Date	Interest Rate	Investment Amounts 1 April to 30 September 2023	Investment Principal at 30 September 2023	Estimated Interest earned for the period	Estimated Total Interest 2023/24 on these investments
			%			£	£
NatWest Call Account - estimate for period	01/04/2023	31/03/2024	1.70%	2,844,585	2,844,585	93,176	174,649
Bank of Scotland Call Account	18/04/2023	31/03/2024	5.14%	7,500,000	7,500,000	156,591	349,341
National Westminster Bank Fixed Term	11/01/2023	11/07/2023	4.10%	10,000,000	-	113,452	113,452
National Westminster Bank Fixed Term	11/07/2023	11/01/2024	5.88%	10,000,000	10,000,000	130,488	296,416
Santander	10/02/2023	10/05/2023	4.00%	7,500,000	-	32,055	32,055
Santander	10/05/2023	10/11/2023	4.76%	7,500,000	7,500,000	139,866	179,967
Nationwide Building Society	06/04/2023	06/07/2023	4.17%	5,000,000		51,982	51,982
Nationwide Building Society	06/07/2023	08/01/2024	5.47%	5,000,000	5,000,000	64,441	139,373
Goldman Sachs	22/12/2022	22/06/2023	3.83%	7,500,000	-	64,533	64,533
Goldman Sachs	22/06/2023	22/12/2023	5.52%	7,500,000	7,500,000	113,425	207,567
Wakefield Council	22/08/2023	22/09/2023	5.23%	5,000,000	-	22,210	22,210
Wrexham County Borough Council	25/10/2022	25/04/2023	3.80%	5,000,000	-	12,493	12,493
Wrexham County Borough Council	25/04/2023	25/10/2023	4.30%	5,000,000	5,000,000	93,068	107,795
<b>Total</b>					<b>45,344,585</b>	<b>1,087,779</b>	<b>1,751,832</b>

- 5.7** The Council set a budget of £1.036m and, after transferring the interest due on school balances and the HRA, it is still estimated that this budget target will be exceeded in 2023/24.

**5.8 Approved Limits** – Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 30 September 2023.

## 6. Prudential Indicator for Capital Expenditure

### 6.1 The Council’s Capital Position

Table 5 below shows the revised estimates for capital expenditure in comparison to the capital budget at quarter 2:-

**Table 5 – Capital Expenditure**

	<b>Original Estimate 2023/24</b>	<b>Approved Revised Budget 2023/24</b>	<b>Budget to 30 September 2023</b>	<b>Expenditure to September 2023</b>	<b>Quarter 2 Estimate for Total Expenditure 2023/24</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Council Fund	24,405	40,030	11,997	10,760	36,431
HRA	13,557	19,988	7,003	7,943	21,878
<b>Total</b>	<b>37,962</b>	<b>60,018</b>	<b>19,000</b>	<b>18,703</b>	<b>58,309</b>

**6.1.1** The original budget was prepared in January 2023 before the slippage from 2022/23 was known. The approved revised budget includes £13.477m of slippage from 2022/23, approved by the Executive on 27 June 2023. An additional £8.579m capital budget was approved by the Executive during the year. £7.044m of the additional schemes during the year are funded by grants. The in-year changes show that unsupported borrowing is expected to reduce by £2.797m, though supported borrowing is expected to increase by £1.661m. Supported borrowing is funded by Welsh Government in the annual RSG.

**6.1.2** The revised budget for 2022/23 is £60.018m, and £58.309m of this was expected to be spent by 31 March 2024, as reported in the capital monitoring report Q2, presented to the Executive on 28 November 2023. During the period 1 April 2023 to 30 September 2023, £18.7m of actual expenditure had been incurred against a £19m profiled budget, which showed that spend was very close to the budget as at 30 September 2023.

### 6.2 Changes to the Financing of the Capital Programme

**6.2.1** There are some changes to the financing of the capital programme, as can be seen in Table 6 below, due to the changes to the capital budget noted in 6.1.1 and 6.1.2 above.

**6.2.2** Table 6 below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original funding of the capital programme, and the expected funding arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements. The source of funding for projects might also change at year end as funding is allocated in the most cost-effective way to mitigate capital financing pressures. This also allows increased flexibility to respond to later offers of external grant funding where the Council is asked to displace the funding in year but to ensure there is funding in the next year to fulfill the conditions of the grant being offered.

**Table 6 – Estimated Funding of Capital Expenditure**

<b>Capital Financing</b>	<b>2023/24 Original Estimate</b>	<b>2023/24 Revised Estimate</b>
	<b>£'000</b>	<b>£'000</b>
Capital Grants	22,367	35,229
Capital Receipts	500	443
Reserves	0	4,096
Revenue Contribution	9,221	11,635
Supported Borrowing	3,077	8,500
Unsupported Borrowing	2,797	38
Loan	0	77
<b>Total</b>	<b>37,962</b>	<b>60,018</b>

**6.3 Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary**

**6.3.1 Prudential Indicator – External Debt Limits**

The below table shows that, at 30 September 2023, the Council was well within the debt limits set by the Treasury Management Strategy Statement (TMSS) 2023/24 and is forecast to be £50m within the maximum limit on borrowing (authorised limit) and £45m within the operational boundary at 31 March 2024.

The authorised limit is the absolute maximum the Council is permitted to borrow. This can be changed only if affordable and with the permission of full Council. Other options should be considered first such as reviewing the projects funded by borrowing or considering alternative funding sources. The operational boundary is the level of borrowing which must trigger the review of options for funding projects or other actions to ensure that the authorised limit is not breached.

**Table 7 – External Debt compared to Borrowing Limits**

<b>Prudential Indicator – External Debt Limits</b>	<b>TMSS 2023/24</b>	<b>Amount within the TMSS Debt Limits at 30 September 2023</b>	<b>Estimated Borrowing Position 31 March 2023</b>	<b>Estimated Amount within the TMSS Debt Limits at 31 March 2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Authorised Limit - general borrowing	175,000	51,400	175,000	49,851
Operational Boundary - general borrowing	170,000	46,400	170,000	44,851
Actual general borrowing 30 September 2023	123,600	N/A	125,149	N/A
Other long-term liabilities	5,000	5,000	-	-

## 6.4. Prudential Indicator – Capital Financing Requirement (CFR)

6.4.1 Table 8 below shows the CFR, which is the underlying need to incur borrowing to fund capital expenditure. The CFR is expected to be £1.451m higher than the original estimate. This relates to the Council fund CFR and relates to slippage from 2022/23 capital programme. This masks that there is an increase of £4.133m relating to unsupported borrowing which is allocated to slipped projects to 2023/24 and there is a decrease in unsupported borrowing by £2.759m relating to the Band B schools programme. There is also £0.077m slippage on the Salix loan funded project. Changes are expected as the TMSS is produced before the capital programme for the year has been finalised. Capital projects can also slip due to a variety of reasons or alternative funding is found to reduce the amount of borrowing needed.

**Table 8 – Change in the Capital Financing Requirements 2023/24 at 30 September 2023**

Prudential Indicator – Capital Financing Requirement (CFR)	2023/24 Original Estimate £'000	2023/24 Revised Estimate £'000
CFR – Council Fund	111,697	113,148
CFR – HRA	38,286	38,286
Total CFR	149,983	151,434
<b>Net movement in CFR</b>	-	1,451

### 6.4.2 Analysis of borrowing

The table above shows the revised forecast CFR for 2023/24 is £151.434m. This is comprised of £123.600m of external borrowing, predominantly from the PWLB with Salix interest free loans for low carbon and energy efficiency projects. The difference between the CFR, which is the amount of capital expenditure to be funded by borrowing, and the external / actual borrowing taken out, is the internal borrowing. This is where the Council has used cash balances to fund capital expenditure to delay the actual borrowing for as long as possible, to save interest payable charges. This is in line with the TMSS 2023/24 and is the approach recommended by the Council's treasury management consultants, Link Group, due to impact of the economy on interest rates and gilts which PWLB interest rates are based on. When cash balances become too low, this borrowing will be externalised by taking out new loans from the PWLB. To reduce the capital financing charges, it is likely that shorter-term loans up to five years would be taken out.

**Table 9 – Profile of borrowing between external borrowing and internal borrowing (use of cash balances)**

	Current Position at 30 September 2023 £'000	Revised Estimated CFR 31 March 2024 £'000
External Borrowing	123,600	125,154
Internal Borrowing	27,834	26,280
Other long-term liabilities	-	-
<b>(year-end position)</b>	<b>151,434</b>	<b>151,434</b>

## **7. Debt Rescheduling**

**7.1** Debt rescheduling opportunities have increased significantly in the current period, where gilt yields, which underpin PWLB rates and market loans, have risen materially. An exercise was completed in June 2023, which demonstrated that replacing existing loans with new loans would attract discounts but, due to higher interest rates, total interest payable until the loans mature would be significantly higher and would, therefore not be affordable as revenue capital financing costs would increase.

## **8. Compliance with Treasury and Prudential Limits**

**8.1** It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the period ended 30 September 2023, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2023/24. The Director of Function (Resources) reports that no difficulties are envisaged for the current or future years in complying with these indicators.

**8.2** All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

## **9. Conclusion**

**9.1** During the period 1 April 2023 to 30 September 2023, the Council has been proactive with depositing surplus cash balances in secure UK banks and local authorities. The Council has benefitted from the interest rate increases during the period, with £1.088m in interest receivable on these deposits. The estimated interest receivable for the full year on the investments active during the period is forecast at £1.752m. Three deposits have been arranged since 30 September 2023, which will be reported subsequently. It should be noted that the HRA, schools and amounts the Council holds on behalf of others will receive a share of the interest receivable based on their balances at 31 March 2024 and the average interest rate from all deposits. Also of note, is the Council's cash balances are reducing, therefore, future interest receivable might not achieve the levels in 2023/24.

**9.2** The Council has not applied for any PWLB loans during the period to minimise interest payable and defer the borrowing identified for funding specific capital projects until necessary. The Council has borrowed interest free loans from Salix for energy efficiency / low carbon capital projects.

**9.3** In summary, the Council's Treasury Management position remains stable, with better than forecast investment returns and all prudential indicators remaining within the boundaries and targets set in the Treasury Management Strategy Statement for 2023/24. No new external borrowing has taken place with the Council's strategy continuing to use internal borrowing to fund capital expenditure, but as cash reserves are utilised (balance the budget, winding down of school balances, use of HRA reserve to fund capital expenditure) the amount of surplus cash reduces which has reduced the sums available to invest and the level of internal borrowing than can be supported. This will invariably require a change in strategy in the future, with additional external borrowing having to be undertaken.

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

Maturity Financial Year	PWLB Loan Reference	Principal £	Rate of Interest %	Present Value of Loan Principal at 3.5% £
2023/2024	475890	1,000,000	8.5	
	473692	569,200	7.875	
	475927	284,600	8.5	
2023/2024 Total		1,853,800		1,853,800
2026/2027	474962	853,800	8.625	
	503948	527,601	3.67	
2026/2027 Total		1,381,401		1,245,945
2027/2028	473954	674,502	7	
	493424	1,000,000	5.2	
	503949	490,601	3.73	
2027/2028 Total		2,165,103		1,886,762
2028/2029	400773	20,064	9.5	
	503950	262,440	3.8	
2028/2029 Total		282,504		237,861
2029/2030	401356	5,903	9.25	
	401772	3,934	9.25	
	402384	5,962	9.375	
	402971	1,156	9.125	
	403625	7,149	9.25	
	406721	12,590	9.25	
	474795	853,800	8.625	
	503951	684,697	3.85	
2029/2030 Total		1,575,192		1,281,419
2030/2031	407327	8,981	9.375	
	408828	5,651	9.25	
	409994	7,992	9.75	
	410218	4,879	9.75	
	410734	2,153	9.625	
	410915	8,782	9.75	
	411471	7,912	9.25	
	503952	450,706	3.91	
2030/2031 Total		497,055		390,681
2031/2032	475733	1,280,700	8.625	
	503953	660,449	3.96	
2031/2032 Total		1,941,149		1,474,131
2032/2033	422775	26,935	9.25	
	423932	33,446	9.5	
	426595	1,252	9.875	
	503954	314,886	4.01	
2032/2033 Total		376,518		276,263
2033/2034	503955	636,565	4.05	
2033/2034 Total		636,565		451,273
2034/2025	503956	623,834	4.09	
2034/2025 Total		623,834		427,292
2035/2036	503957	611,357	4.13	
2035/2036 Total		611,357		404,586



Maturity Financial Year	PWLB Loan Reference	Principal £	Rate of Interest %	Present Value of Loan Principal at 3.5% £
2036/2037	503958	599,130	4.16	
2036/2037 Total		599,130		383,086
2037/2038	503959	587,147	4.18	
2037/2038 Total		587,147		362,729
2038/2039	503960	225,467	4.2	
2038/2039 Total		225,467		134,579
2039/2040	493437	5,000,000	4.95	
2039/2040 Total		5,000,000		2,883,530
2040/2041	493438	3,500,000	4.95	
2040/2041 Total		3,500,000		1,950,213
2042/2043	503961	999,781	4.25	
2042/2043 Total		999,781		520,042
2043/2044	503962	1,020,120	4.25	
2043/2044 Total		1,020,120		512,678
2044/2045	503963	1,009,718	4.25	
2044/2045 Total		1,009,718		490,290
2045/2046	503964	11,464,215	4.25	
2045/2046 Total		11,464,215		5,378,444
2050/2051	490892	2,000,000	4.15	
2050/2051 Total		2,000,000	4.15	790,024
2052/2053	491677	6,800,000	4.2	
	492220	5,000,000	4.05	
	492698	6,000,000	4.25	
	493722	5,000,000	4.55	
	493723	1,138,400	4.55	
	493906	4,300,000	4.55	
2052/2053 Total		28,238,400		10,412,858
2054/2055	474612	3,000,000	8.375	
2054/2055 Total		3,000,000		1,032,691
2055/2056	476679	1,500,000	8	
	476783	2,000,000	7.875	
2055/2056 Total		3,500,000		1,164,064
2056/2057	478340	2,000,000	7.875	
	479464	3,000,000	7.125	
2056/2057 Total		5,000,000		1,606,714
2057/2058	479465	3,000,000	7.125	
	479802	3,000,000	6.875	
	480214	2,000,000	6.5	
	480215	512,854	6.5	
2057/2058 Total		8,512,854		2,643,037
2059/2060	483423	1,763,308	4.25	
2059/2060 Total		1,763,308		511,064
2064/2065	508920	10,000,000	2.24	
2064/2065 Total		10,000,000		2,357,791
2066/2067	505939	6,200,000	2.2	
2066/2067 Total		6,200,000		1,412,397
2068/2069	508376	15,000,000	2.49	
2068/2069 Total		15,000,000		3,189,889
<b>Grand Total</b>		<b>119,564,619</b>		<b>47,666,132</b>

## Economic Update & Forecasts

- The first half of 2023/24 saw:-
  - Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
  - Short, medium, and long-dated gilts remain elevated as inflation continually surprised to the upside.
  - A 0.5% m/m decline in real GDP in July, mainly due to more strikes.
  - CPI inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022, but still the highest in the G7.
  - Core CPI inflation declining to 6.2% in August from 7.1% in April and May, a then 31 years high.
  - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose to 7.8% in August, excluding bonuses).
- The 0.5% m/m fall in GDP in July suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.
- The fall in the composite Purchasing Managers Index from 48.6 in August to 46.8 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0.2% q/q rise in real GDP in the period April to June, being followed by a contraction of up to 1% in the second half of 2023.
- The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.
- As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.
- The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.
- But the cooling in labour market conditions still has not fed through to an easing in wage growth. While the monthly rate of earnings growth eased sharply from an upwardly revised +2.2% in June to -0.9% in July, a lot of that was due to the one-off bonus payments for NHS staff in June not being repeated in July. The headline 3myy rate rose from 8.4% (revised up from 8.2%) to 8.5%, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular private sector wage growth eased a touch in July, from 8.2% 3myy in June to 8.1% 3myy, it is still well above the Bank of England's prediction for it to fall to 6.9% in September.

- CPI inflation declined from 6.8% in July to 6.7% in August, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.2%. That reverses all the rise since March and means the gap between the UK and elsewhere has shrunk (US core inflation is 4.4% and, in the Euro,-zone it is 5.3%). Core goods inflation fell from 5.9% to 5.2% and the further easing in core goods producer price inflation, from 2.2% in July to a 29-month low of 1.5% in August, suggests it will eventually fall close to zero. But the really positive development was the fall in services inflation from 7.4% to 6.8%. That also reverses most of the rise since March and takes it below the forecast of 7.2% the Bank of England published in early August.
- In its latest monetary policy meeting on 20 September, the Bank of England left interest rates unchanged at 5.25%. The weak August CPI inflation release, the recent loosening in the labour market and the downbeat activity surveys appear to have convinced the Bank of England that it has already raised rates far enough. The minutes show the decision was “finely balanced”. Five MPC members (Bailey, Broadbent, Dhingra, Pill and Ramsden) voted for no change and the other four (Cunliffe, Greene, Haskel and Mann) voted for a 25bps hike.
- Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. The statement did not say that rates have peaked and once again said if there was evidence of more persistent inflation pressures “further tightening in policy would be required”. Governor Bailey stated, “we’ll be watching closely to see if further increases are needed”. The Bank also retained the hawkish guidance that rates will stay “sufficiently restrictive for sufficiently long”.
- This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and / or a further leap in oil prices could conceivably force it to raise rates at the next meeting on 2nd November, or even pause in November and raise rates in December.
- The yield on 10-year Gilts fell from a peak of 4.74% on 17th August to 4.44% on 29th September, mainly on the back of investors revising down their interest rate expectations. But even after their recent pullback, the rise in Gilt yields has exceeded the rise in most other Developed Market government yields since the start of the year. Looking forward, once inflation falls back, Gilt yields are set to reduce further. A (mild) recession over the next couple of quarters will support this outlook if it helps to loosen the labour market (higher unemployment / lower wage increases).
- The pound weakened from its cycle high of \$1.30 in the middle of July to \$1.21 in late September. In the first half of the year, the pound bounced back strongly from the Truss debacle last autumn. That rebound was in large part driven by the substantial shift up in UK interest rate expectations. However, over the past couple of months, interest rate expectations have dropped sharply as inflation started to come down, growth faltered, and the Bank of England called an end to its hiking cycle.
- The FTSE 100 has gained more than 2% since the end of August, from around 7,440 on 31st August to 7,608 on 29th September. The rebound has been primarily driven by higher energy prices which boosted the valuations of energy companies. The FTSE 100’s relatively high concentration of energy companies helps to explain why UK equities outperformed both US and Euro-zone equities in September. Nonetheless, as recently as 21<sup>st</sup> April the FTSE 100 stood at 7,914.

**PWLB Rates Analysis 1 April 2023 to 30 September 2023**

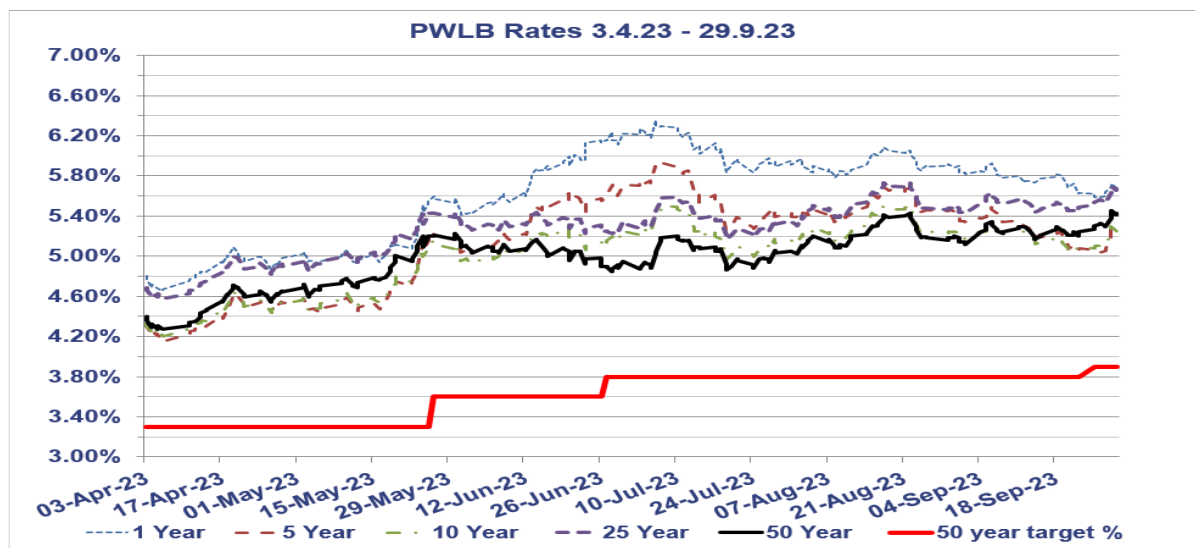
While the Council did not require any new PWLB loans during the period, the below information provides the information about changes in PWLB rates in the context of increasing interest rates and gilts.

**PWLB maturity certainty rates (gilts plus 80bps) year to date to 29th September 2023**

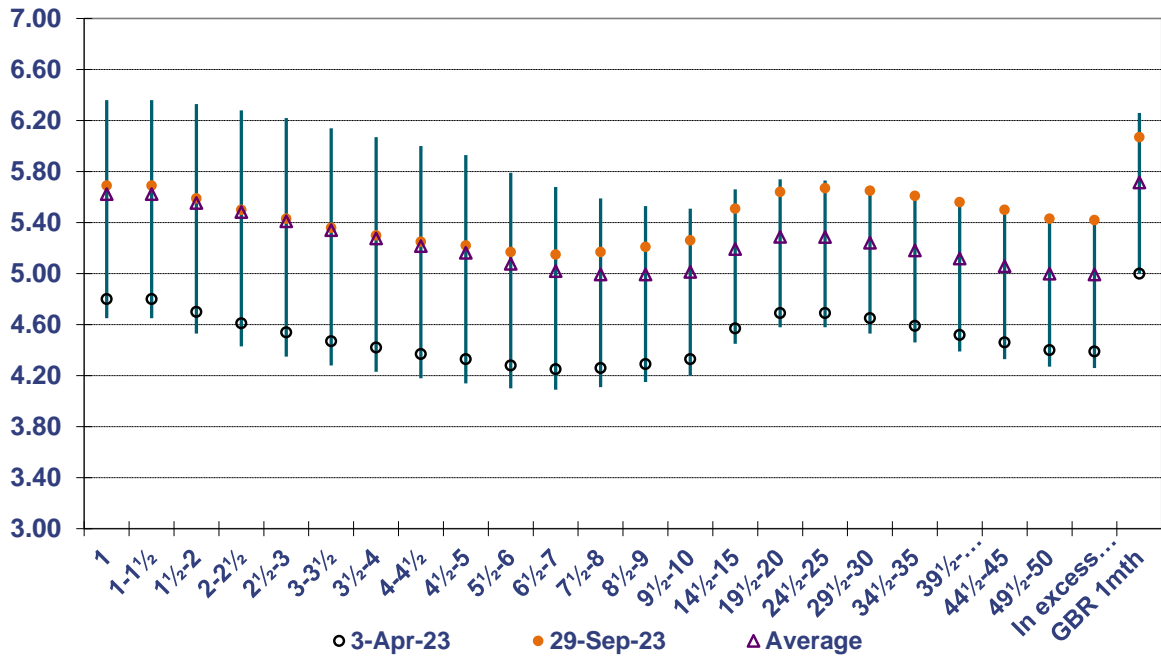
Gilt yields and PWLB certainty rates were on a generally rising trend throughout the first half of 2023/24. At the beginning of April, the 5-year rate was the cheapest part of the curve and touched 4.14%, whilst the 25-year rate was relatively expensive at 4.58%.

July saw short-dated rates peak at their most expensive. The 1-year rate spiked to 6.36% and the 5-year rate to 5.93%. Although, in due course, short-dated rate expectations fell, the medium dates shifted higher through August and the 10-year rate pushed higher to 5.51% and the 25-year rate to 5.73%. The 50-year rate was 4.27% on 5<sup>th</sup> April but rose to 5.45% on 28<sup>th</sup> September.

We forecast rates to fall back over the next two to three years as inflation dampens. The CPI measure of inflation is expected to fall below 2% in the second half of 2024, and we forecast 50-year rates to stand at 3.90% by the end of September 2025. However, there is considerable gilt issuance to be digested by the market over the next couple of years, as a minimum, so there is a high degree of uncertainty as to whether rates will fall that far.



### PWLB Certainty Rate Variations 3.4.23 to 29.9.23



### HIGH / LOW / AVERAGE PWLB RATES FOR 01.04.23 – 29.09.23

	1 Year	5 Year	10 Year	25 Year	50 Year
<b>Low</b>	4.65%	4.14%	4.20%	4.58%	4.27%
<b>Date</b>	06/04/2023	06/04/2023	06/04/2023	06/04/2023	05/04/2023
<b>High</b>	6.36%	5.93%	5.51%	5.73%	5.45%
<b>Date</b>	06/07/2023	07/07/2023	22/08/2023	17/08/2023	28/09/2023
<b>Average</b>	5.62%	5.16%	5.01%	5.29%	5.00%
<b>Spread</b>	1.71%	1.79%	1.31%	1.15%	1.18%

- The current PWLB rates are set as margins over gilt yields as follows:-
  - **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
  - **PWLB Certainty Rate (GF)** is gilt plus 80 basis points (G+80bps)
  - **PWLB Local Infrastructure Rate** is gilt plus 60 basis points (G+60bps)
  - **PWLB Certainty Rate (HRA)** is gilt plus 40 basis points (G+40bps)
- The **UK Infrastructure Bank** will lend to local authorities that meet its scheme criteria at a rate currently set at gilt plus 40bps (G+40bps).

This page is intentionally left blank

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>
<b>Date:</b>	<b>7 MARCH 2024</b>
<b>Subject:</b>	<b>TREASURY MANAGEMENT STRATEGY STATEMENT 2024/25</b>
<b>Portfolio Holder(s):</b>	<b>COUNCILLOR R WILLIAMS, DEPUTY LEADER AND PORTFOLIO HOLDER FINANCE,</b>
<b>Head of Service / Director:</b>	<b>MARC JONES, DIRECTOR OF FUNCTION (RESOURCES) AND SECTION 151 OFFICER</b>
<b>Report Author:</b> Tel: E-mail:	<b>CLAIRE KLIMASZEWSKI</b> <b>ClaireKlimaszewski@ynysmon.llyw.cymru</b>
<b>Local Members:</b>	<b>n/a</b>
<b>A –Recommendation/s and reason/s</b>	
<ul style="list-style-type: none"> <li>• The Council is required to produce and publish an annual Treasury Management Strategy Statement (TMSS) before the start of each financial year. The Council, under the Local Government Act 2003 and Welsh Government Regulations, has to have due regard to the CIPFA Prudential Code and CIPFA Treasury Management Codes, the latest versions of which were published in 2021.</li> <li>• This TMSS complies with the requirements in both codes and sets out all the requirements which must be followed in how the Isle of Anglesey County Council treasury management activities are conducted. This helps to ensure that the Council’s investments are secure and sufficiently accessible so that there is enough cash for day-to-day payments as they fall due. The TMSS, as required by the codes, also provides a framework to ensure that the Council’s borrowing levels remain prudent and affordable.</li> <li>• The CIPFA Prudential Code, 2021 (S29), introduced more frequent treasury management monitoring reports. Prior to the 2021 version of the code, a treasury management mid-year review and treasury management year-end outturn monitoring report were the minimum standards. In accordance with the revised Prudential code, the Council now produces treasury management quarterly reports culminating in the year-end treasury management outturn report.</li> <li>• These reports provide monitoring information on the forward-looking prudential indicators which are specified in the appendices within the TMSS. The reports highlight any significant variances from the approved indicators and include forecasts on the Council’s borrowing and investments during the year. The additional reports are not required to go to full Council, therefore, these are presented to the Executive for approval. The treasury management mid-year review and outturn reports will continue to be scrutinised by the Governance and Audit Committee, considered by the Executive and approved by full Council.</li> </ul> <p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• To approve the Treasury Management Strategy Statement for 2024/25.</li> </ul>	
<b>B – What other options did you consider and why did you reject them and/or opt for this option?</b>	
n/a	

<b>C – Why is this a decision for the County Council?</b>		
.		
<b>CH – Is this decision consistent with policy approved by the full Council?</b>		
Yes		
<b>D – Is this decision within the budget approved by the Council?</b>		
N/a		
<b>DD – Assessing the potential impact (if relevant)</b>		
1	<b>How does this decision impact on our long term needs as an Island</b>	Treasury management is key to facilitating sustainability for the long-term needs of the Island as borrowing plans help to fund capital expenditure to ensure assets are available now and into the future. Treasury plans must also be affordable to ensure that future generations are not disadvantaged by Treasury Management decisions taken in the short and medium term.
2	<b>Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how:-</b>	The Treasury Management strategy and activity must be affordable to mitigate the impact on the future. Some capital expenditure funded by borrowing such as Sustainable Communities for Learning and other invest to save schemes funded by borrowing may help to reduce future costs.
3	<b>Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:</b>	Treasury Management activities often fund capital projects in partnership with other organisations, such as Welsh Government. The 21 <sup>st</sup> Century Schools Programme / Sustainable Communities for Learning new schools/extensions were / are funded with significant funding from Welsh Government.
4	<b>Have Anglesey citizens played a part in drafting this way forward? Please explain how:-</b>	Anglesey Citizens are consulted each year about the annual capital programme, some of which is dependent on Treasury Management activities. More in-depth consultation occurs on some capital projects such as new school builds / school reorganisations.
5	<b>Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.</b>	Newly built assets funded by borrowing will be compliant with the Equality Act and related regulations and guidance. Annual refurbishments and replacement programmes also help to increase accessibility and enable diversity.
6	<b>If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.</b>	The TMSS is required each year.
7	<b>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.</b>	Some of the projects funded by borrowing have a positive impact on the development and increase of the Welsh Language, such as the Welsh medium schools built as part of the 21 <sup>st</sup> Century Schools Programme / Sustainable Communities for Learning Programme.



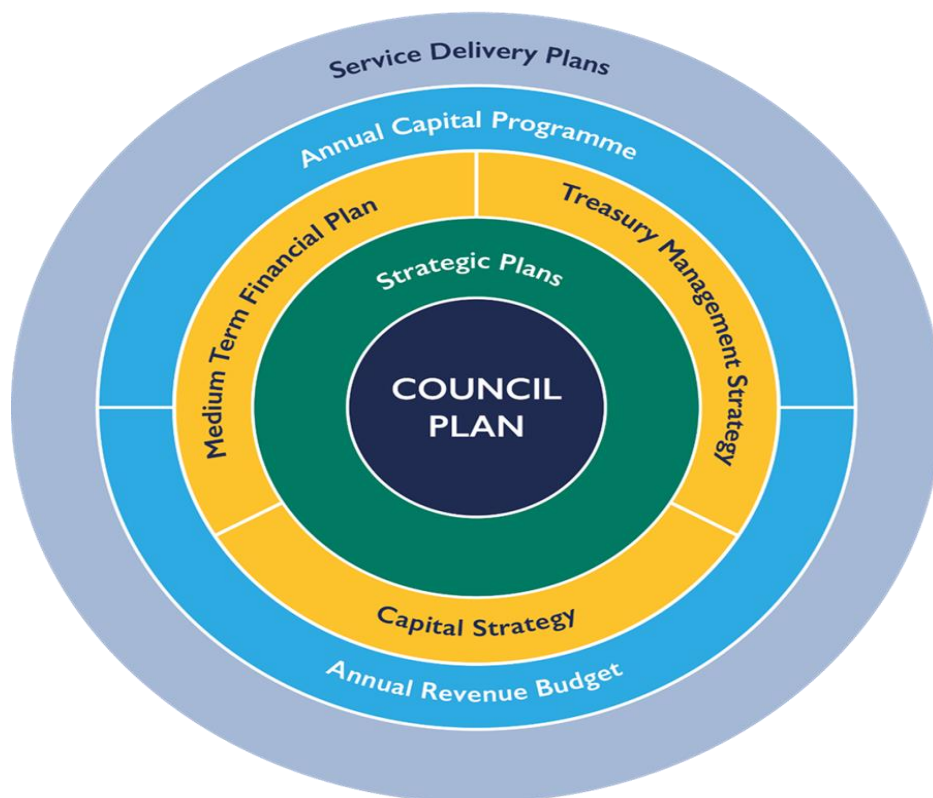
<b>E – Who did you consult?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Leadership Team (LT)</b> (mandatory)	
2	<b>Finance / Section 151</b> (mandatory)	n/a – this is the Section 151 Officer’s report.
3	<b>Legal / Monitoring Officer</b> (mandatory)	
4	<b>Human Resources (HR)</b>	
5	<b>Property</b>	
6	<b>Information Communication Technology (ICT)</b>	
7	<b>Procurement</b>	
8	<b>Scrutiny</b>	
9	<b>Local Members</b>	
10	<b>Other</b>	The Executive resolved to:- <ul style="list-style-type: none"> <li>• Recommend that full Council accept the Treasury Management Strategy Statement for 2024/25 without any further changes.</li> </ul>
<b>F - Appendices:</b>		
<ol style="list-style-type: none"> <li>1. Treasury Management Key Principles</li> <li>2. Economic background</li> <li>3. Interest rate forecasts</li> <li>4. Loan maturity profile</li> <li>5. MRP Policy Statement</li> <li>6. Specified and non-specified investments</li> <li>7. Counterparty criteria</li> <li>8. Approved countries for investments</li> <li>9. Treasury management scheme of delegation and the role of the Section 151 Officer</li> <li>10. Prudential and Treasury Indicators</li> <li>11. Explanation of Prudential and Treasury Indicators</li> <li>12. Glossary of, and information on, Prudential &amp; Treasury Management indicators</li> </ol>		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
<ul style="list-style-type: none"> <li>• 2023/24 Treasury Management Strategy Statement, approved by the full Council on 9 March 2023;</li> <li>• 2022/23 Treasury Management Outturn Report, approved by the full Council on 26 October 2023;</li> <li>• 2022/23 Capital Outturn Report, presented to this Committee on 27 June 2023;</li> <li>• 2023/24 Capital Budget Monitoring Quarter 2, presented to the Executive on 28 November 2023;</li> <li>• 2023/24 Treasury Management Mid Year Report, presented to this Committee on 8 February 2024;</li> <li>• 2024/28 Capital Strategy – Executive, 29 February 2024</li> </ul>		

## TREASURY MANAGEMENT STRATEGY STATEMENT

### ANNUAL INVESTMENT STRATEGY, MINIMUM REVENUE PROVISION POLICY STATEMENT AND TREASURY MANAGEMENT POLICY STATEMENT 2024/25

#### 1. INTRODUCTION

- 1.1 The Treasury Management Strategy Statement (TMSS) 2024/25 provides the framework for day-to-day and medium-term treasury management. It is completed with regard to the CIPFA Prudential Code 2021 and the CIPFA Treasury Code 2021.
- 1.2 The TMSS is a key part of the Council's strategic planning processes to help ensure that the Council is able to achieve its strategic objectives and vision. The Council's strategic circle below shows the Council Plan is central to the work of the Council. All the Council's strategic and operational plans must align with the Council Plan to deliver the services and priorities needed to achieve the strategic objectives of the Plan. The circle shows that the Treasury Management Strategy Statement, alongside the Capital Strategy and Medium-Term Financial Plan, are the key financial strategies to ensure that the Council's financial resources are managed in line with key legislation and CIPFA requirements and are focused on meeting the priorities of the Council. This helps ensure that the Council's finances are targeted at the right functions and services to achieve the Council's goals.



#### 2. BACKGROUND

- 2.1. CIPFA defines treasury management as:-

*“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

- 2.2.** Treasury management involves tasks which ensure that there is enough cash in the Council general account to pay day-to-day bills and the investment of surplus cash, over what is needed in the general account. These investments must be in highly secure accounts, such as UK banks with high credit ratings. The Council prioritises security of its funds in line with the Code and ensures that enough cash is instantly accessible so that the Council is able to pay suppliers, staff and benefits, at the required payment dates. The last consideration is yield, the Council invests to get the highest interest rate possible within the pool of organisations that are secure and meet the criteria in this strategy. The final element of Treasury Management is managing the Council's loan portfolio to ensure that the Council's borrowing is not too high and that the revenue costs of borrowing are affordable.
- 2.3.** The contribution the treasury management function makes to the Council is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will, in effect, result in a loss to the Council's cash reserves.

### **3. ISLE OF ANGLESEY TREASURY MANAGEMENT POLICY STATEMENT**

- 3.1** In addition to the corporate risk policies, register, actions and monitoring, the Council takes its responsibility for good stewardship of public funds seriously and all treasury management practices will have protection of public funds engrained. It is impossible to eliminate all risk, but all treasury management activities will be managed to reduce the risk Council funds are exposed to as follows:-
- 3.1.1** Investment decisions will always prioritise security of the investment first. Liquidity is the second consideration, as the Council needs instant access to enough funds to pay day-to-day payments as they fall due. Finally, the Council will seek to maximise income earned on investments only if the investments are highly secure and if there is sufficient instant access to funds.
- 3.1.2** Bank deposits, or investments in banks or building societies, will only be placed in highly secure banks and building societies with high credit ratings in line with the criteria included in Appendix 7.
- 3.1.3** Loans to local authorities will be considered after due diligence checks have been completed.
- 3.1.4** Investments in AAA rated money market funds are permitted.
- 3.1.5** The Council will aim to keep a minimum of £10m in instant access accounts, if Council balances are sufficient.
- 3.1.6** The Council is committed to ensuring value for money in its treasury management activities, though within the context of protection of public funds.
- 3.1.7** The Council will internally borrow if there is sufficient cash balances, particularly when interest rates are rising, to reduce or delay interest payable.
- 3.1.8** If there is a borrowing need for eligible purposes, any borrowing should take into account whether rates are likely to rise or reduce in the medium-term. Short-term loans should mitigate interest payable if rates are likely to reduce in the short or medium-term, and longer-term loans should be considered if interest rates are forecast to increase in the medium to long-term.

**3.1.9** Treasury management activity supports the achievement of the Council's key priorities and will be aligned with the Capital Strategy and the Medium-Term Financial Plan to ensure that investments are secure, accessible and interest receivable is optimised within secure investments. Borrowing will be based on the requirements of the Capital Strategy 2024/28 and annual programmes, but only if affordable, taking into account the financial scenario at the time and information in the Medium-Term Financial Plan which is updated regularly.

**3.1.10** Setting the Treasury Management Strategy cannot be undertaken in isolation, and consideration must be given to the economic situation as this has an impact on investment interest rates, the cost of borrowing and the financial strength of counterparties.

#### 4. EXTERNAL CONTEXT

**4.1** A full summary of the economic outlook is set out in Appendix 2. Table 1 below shows the recent Bank of England base rate forecasts, inflation and PWLB rates provided by Link Group.

**Table 1 – Forecast Bank Base Rate, Inflation and PWLB Rates January 2024 to September 2025**

	15 Jan 2024	Mar 2024	Jun 2024	Sep 2024	Dec 2024	Mar 2025	Jun 2025	Sep 2025
Bank Rate (%)	5.25%	5.25%	5.25%	4.75%	4.25%	3.75%	3.25%	3.00%
CPI Inflation – Capital Economics	Dec - 3.7%	3.8%	2.9%	0.80%	0.70%	0.90%	0.6%	1.2%
5yr PWLB annuity rate (%)	4.63%	4.50%	4.40%	4.30%	4.20%	4.10%	4.00%	3.80%
10yr PWLB annuity rate (%)	4.86%	4.70%	4.50%	4.40%	4.30%	4.20%	4.10%	4.00%
25yr PWLB annuity rate (%)	5.43%	5.20%	5.10%	4.90%	4.80%	4.60%	4.40%	4.30%
50yr PWLB annuity rate (%)	5.24%	5.00%	4.90%	4.70%	4.60%	4.40%	4.20%	4.10%

**4.2** The Bank of England's target inflation, set by the Government, is 2%. Inflation started to creep up beyond this from August 2021, with the CPI rate reaching a high of 11.1% in October 2022 due to the impact of the invasion of Ukraine, which caused significant energy and food price increases. Inflation remained high for longer than anticipated, but started to decrease in April 2023 to 8.7%, with CPI reducing to 7.9% at the end of the first quarter. Inflation rates continued to decrease in the second quarter, with CPI at 6.7% at 30 September 2023 and 4% at 31 December 2023.

**4.3** At the start of the pandemic, the base rate was reduced to its lowest point at 0.1% in support of the economy. In December 2021, the Bank of England increased the rate to 0.25% and then increased the base rate at each meeting of the Monetary Policy Committee (MPC) between 0.25% to 0.75% at its highest increase. In August 2023, the MPC increased the base rate to 5.25%, in September 2023 the rate of 5.25% remained unchanged for the first MPC meeting since December 2021. The MPC also voted for no change to the 5.25% at its meetings in November and December 2023. The TMSS 2023/24 reported in March 2023 that the bank base rate was expected to peak at 4.5% in the summer and that rates would reduce slowly in 2024 and 2025. In the treasury management review for quarter 1, it was highlighted that the Bank of England base rate was forecast to peak at 5.25%. The above analysis shows that the rate of 5.25% has remained unchanged for four consecutive MPC Committees. However, there is a risk of increased inflation due to supply issues resulting from the conflict in Gaza and shipping issues in the Red Sea, which has resulted in wider conflict. There is now an increased risk that the base rate might peak at a higher rate in efforts to control inflation.

**4.4** The Council benefits from a higher base rate for investment of surplus cash, which has helped the Council earn nearly £1m in interest receivable. However, loans to the Council are more expensive since the Bank of England started raising interest rates to try to control inflation. External borrowing is, therefore, delayed until cash balances can no longer sustain the use of council balances to fund capital expenditure (internal borrowing).

## **5. THE COUNCIL'S CURRENT BORROWING POSITION**

**5.1** Borrowing PWLB – the Council's PWLB external borrowing remains the same as that presented in the TMSS in March 2023, except for repayment of £8k of principal on annuity loans. This is due to the need to avoid borrowing while interest rates are increasing. Instead, Council cash balances have been used to fund capital expenditure. This is in line with Link Group's advice on borrowing in the current economic climate. The opportunity cost of this is that there are less balances to invest, however, borrowing costs are higher than investment yields. To ensure the Council has enough cash to pay creditors and salaries, sufficient cash must remain in instant call accounts. Typically, the interest rates on these are much lower, so the Council is still able to make reasonable savings on interest payable while using cash balances.

**5.2** Appendix 4 shows the full list of PWLB loans taken out and still payable. The oldest loan dates back to 1969, and the majority of the loans have higher interest rates than the current rates, despite the recent rise in interest rates. These are organised by the financial year the loans are due to be repaid.

**Table 2 - Public Works Loans Board (PWLB)**

<b>PWLB Loans at 30 September 2023</b>			
	<b>PWLB / PWLB Maturity</b>	<b>PWLB EIP/ Annuity</b>	<b>Total PWLB Loans at 31 Dec 2023</b>
Loan Outstanding (£'000)	119,400	164	119,564
Average life (years)	30.82	4.06	34.88
Average rate (%)	4.53	9.42	4.54

**5.3** Borrowing Salix – Salix is a Welsh Government organisation which provides interest free loans and, more recently, grants for projects which support the environment and to help public sector bodies in Wales to work towards achieving their net zero target by 2030. The TMSS 2023 showed that, in February 2023, the Council had £3.099m of interest free loans outstanding with Salix. Since this time, the Council has received more of the borrowing approved by Salix due to more progress with the projects funded by loans from Salix.

The Council held £4.035m of Salix loans at 30 September 2023. These loans are repaid over a period of 8 or 10 years, depending on the agreement, with 2 repayments made per year, per loan. These loans have funded LED street lighting, LED lighting in schools and leisure centres and various other sustainable projects.

**Table 3 - Salix Loans at 30 September 2023**

Other Loans at 30 September 2023							
	Salix Loan 1 £'000	Salix Loan 2 £'000	Salix Loan 3 £'000	Salix Loan 4 £'000	Salix Loan 5 £'000	Salix Loan 6 £'000	TOTAL £'000
Outstanding Balance	16.5	114.0	349.8	158.4	1,873.7	1,522.9	<b>4,035.3</b>
Repayment Date	2024/25	2025/26	2027/28	2029/30	2031/32	2035/36	
Interest rate (%)	-	-	-	-	-	-	-

## 6. THE COUNCIL'S INVESTMENT BALANCES AS AT 31 DECEMBER 2023

6.1 The total balance of investments at 31 December 2023 was £33.227m, as shown in Table 4 below. The yield from these investments from 1 April 2023 to 31 December 2023 was £1.603m with the total interest receivable on the below listed investments expected to be £1.909m for 2023/24. This figure is likely to be higher as new investments are made when these mature, however, cash balances are reducing as the financial year progresses, so not all these investments will be viable to renew on maturity.

**Table 4 – Investments 1 April 2023 to 31 December 2023**

Counterparty	Start Date	End Date	Interest Rate	Investment Amounts 1 April to 31 December 2023	Investment Principal at 31 December 2023	Estimated Interest earned for the period	Estimated Total Interest 2023/24 on these investments
			%			£	£
NatWest Call Account - average for period	01/04/2023	31/03/2024	1.46%	10,365,106	7,536,347	109,414	145,942
Lloyds Call Account	18/04/2023	31/03/2024	5.14%	7,500,000	5,691,167	252,417	325,349
National Westminster Bank Fixed Term	11/01/2023	11/07/2023	4.10%	10,000,000	-	113,452	113,452
National Westminster Bank Fixed Term	11/07/2023	11/01/2024	5.88%	10,000,000	10,000,000	278,696	296,416
Santander	10/02/2023	10/05/2023	4.00%	7,500,000	-	32,055	32,055
Santander	10/05/2023	10/11/2023	4.76%	7,500,000	-	179,967	179,967
Nationwide Building Society	06/04/2023	06/07/2023	4.17%	5,000,000	-	51,982	51,982
Nationwide Building Society	06/07/2023	08/01/2024	5.47%	5,000,000	5,000,000	133,378	139,373
Goldman Sachs	22/12/2022	22/06/2023	3.83%	7,500,000	-	64,533	64,533
Goldman Sachs	22/06/2023	22/12/2023	5.52%	7,500,000	-	207,567	207,567
Wakefield Council	22/08/2023	22/09/2023	5.23%	5,000,000	-	22,210	22,210
Wrexham County Borough Council	25/10/2022	25/04/2023	3.80%	5,000,000	-	12,493	12,493
Wrexham County Borough Council	25/04/2023	25/10/2023	4.30%	5,000,000	-	107,795	107,795
National Westminster Bank Fixed Term	11/01/2024	10/03/2024	5.25%	10,000,000	-	-	84,863
Santander	10/11/2023	09/02/2024	5.34%	5,000,000	5,000,000	37,307	66,567
Nationwide Building Society	08/01/2024	08/04/2024	5.11%	0	-	-	58,100
					<b>33,227,514</b>	<b>1,603,266</b>	<b>1,908,663</b>

## 7. IMPACT OF FUTURE PLANS ON BORROWING

7.1 Capital expenditure is partly funded from borrowing, therefore, the Capital Strategy and this strategy are closely linked. The capital expenditure summary 2024/25 to 2027/28 presents three options for capital expenditure. All three scenarios take into account the work needed on the Council's assets or whether replacement assets will be needed. The three options are presented as the minimum, possible and maximum scenarios, with the maximum requirement being the amounts to bring all the Council assets to a high standard or new asset where replacements are needed. The capital expenditure in this strategy uses the first scenario – minimum, due to the significant funding shortfall for 2024/25 and, potentially, for the years beyond.

- 7.2 Table 5 below shows estimated expenditure and funding for the period 2023 to 2028. For 2025/26 onwards, this is the minimum level of capital investment due to significant funding issues. This is based on the assumption that there will be no unsupported borrowing as this may not be affordable given the revenue budget pressures faced by the Council. Only the Council's supported borrowing allocation is included in the funding section of Table 5.

**Table 5 – Estimated Capital Expenditure and Funding 2023/24 to 2027/28**

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Council Fund - excl. Investment Properties	34,380	15,565	5,028	4,876	4,836
HRA	13,362	35,145	29,974	20,831	21,455
Investment Properties	2,780	0	0	0	0
<b>Total Expenditure</b>	<b>50,522</b>	<b>50,710</b>	<b>35,002</b>	<b>25,707</b>	<b>26,291</b>
Capital Grants	28,669	15,978	6,205	6,244	6,284
Capital Receipts	157	25	151	0	0
Reserves & Revenue Contributions	14,089	12,025	10,936	7,454	7,298
Balance Funded from Borrowing	7,607	22,682	17,710	12,009	12,709
<b>Total funding</b>	<b>50,522</b>	<b>50,710</b>	<b>35,002</b>	<b>25,707</b>	<b>26,291</b>

- 7.3 An important factor to consider is the impact of borrowing on the Council's Capital Financing Requirement (CFR). The CFR is the measure of the Council's underlying borrowing need. Borrowing is not limited to external borrowing from PWLB but also the use of the Council's own cash balances (internal borrowing) which have been used to fund capital expenditure. While internal borrowing saves the Council in interest payable costs, the minimum revenue provision (MRP) is charged on the basis of the underlying borrowing need (the CFR), not the actual borrowing.
- 7.4 Capital expenditure will increase the CFR but only by the sum that is not funded from grants, capital receipts, reserves or revenue. The CFR will also reduce annually by the sum of the Minimum Revenue Provision (MRP) which is charged to revenue. The level of the CFR is an important measure to ensure that the Council does not commit itself to unaffordable levels of borrowing.
- 7.5 In order to ensure that the Council has sufficient funds available to repay debt as it falls due, the Council is required to make a charge to the revenue account each year, and this charge is known as the Minimum Revenue Provision (MRP). Regulations require that the Council approves a MRP statement in advance of each financial year. The policy for 2024/25 is set out in Appendix 5. The Council's MRP policy was substantially revised in 2018, and again for the financial year beginning 1 April 2022. By making the MRP charge each year, the Council's cash balances are replenished and that, in turn, reduces the level of internal borrowing.
- 7.6 In 2018, the Council revised its MRP policy and adopted the Equal Instalment Asset Life method to calculate its MRP charge for both its supported borrowing and unsupported borrowing. The revised policy from 1 April 2022 adopts an annuity method, following a similar method to a standard repayment mortgage, where the combined repayment sum of principal repayment and interest remains constant and, as a result, the amount of principal repaid in the early years is low and increases over time. Therefore, under the annuity method the MRP charge is low in the initial years and increases over time.

7.7 The Council may choose to pay more MRP in any given year. These overpayments of MRP (which, in the Council's case, are to ensure enough cash for loan repayments) can, if needed, be reclaimed in later years. Up until 31 March 2022, the total overpayments were £268k, and related specifically to the Salix loans where the MRP charged to the revenue account has been calculated on the basis of the life of the loan rather than on the life of the asset which was funded by the loan. This ensures that the Council has sufficient cash to repay the loans when they become due for repayment.

7.8 The impact of the Council's capital expenditure plans and the MRP charge on the CFR and level of external and internal borrowing is shown in Table 6 below:-

**Table 6**  
**Capital Financing Requirement and Borrowing 2023/24 to 2027/28**

	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000
	Estimate	Proposed	Proposed	Proposed	Proposed
<b>CAPITAL FINANCING REQUIREMENT (CFR)</b>					
<b>Opening Balance of CFR</b>	<b>144,112</b>	<b>150,588</b>	<b>171,991</b>	<b>188,238</b>	<b>198,521</b>
Capital Expenditure	50,522	50,710	35,002	25,707	26,291
External Capital Grants	(28,669)	(15,978)	(6,205)	(6,244)	(6,284)
Capital Receipts	(157)	(25)	(151)	0	0
Revenue Contribution & Reserves	(14,089)	(12,205)	(10,936)	(7,454)	(7,298)
Minimum Revenue Provision	(1,131)	(1,279)	(1,463)	(1,726)	(1,933)
<b>CLOSING BALANCE OF CFR</b>	<b>150,588</b>	<b>171,991</b>	<b>188,238</b>	<b>198,521</b>	<b>209,297</b>
<b>EXTERNAL BORROWING</b>					
<b>Opening Balance of External Borrowing</b>	<b>123,799</b>	<b>121,557</b>	<b>158,593</b>	<b>175,644</b>	<b>185,696</b>
Borrowing to Fund Capital Expenditure	0	22,682	17,710	12,009	12,709
Borrowing to Fund Loan Repayments	0	0	0	0	0
Borrowing to Replace Internal Borrowing	0	15,000	0	0	0
Loan Repayments	(2,242)	(646)	(639)	(1,977)	(2,763)
<b>Closing Balance of External Borrowing</b>	<b>121,557</b>	<b>158,593</b>	<b>175,664</b>	<b>185,696</b>	<b>195,642</b>
<b>INTERNAL BORROWING</b>					
<b>Opening Balance of Internal Borrowing</b>	<b>20,342</b>	<b>29,060</b>	<b>13,427</b>	<b>12,603</b>	<b>12,854</b>
Replacement of Internal Borrowing	0	(15,000)	0	0	0
Funding Loan Repayments from External Borrowing	0	0	0	0	0
External Loan Repayments	2,242	646	639	1,977	2,763
Borrowing to Fund Capital Expenditure	7,607	0	0	0	0
Minimum Revenue Provision	(1,131)	(1,279)	(1,463)	(1,726)	(1,933)
<b>Closing Balance of Internal Borrowing</b>	<b>29,060</b>	<b>13,427</b>	<b>12,603</b>	<b>12,854</b>	<b>13,684</b>
<b>TOTAL BORROWING</b>	<b>150,617</b>	<b>172,020</b>	<b>188,267</b>	<b>198,550</b>	<b>209,326</b>



## **8. BORROWING STRATEGY**

**8.1** The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement) has not been fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent, as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy.

Against this background, and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The Section 151 Officer will monitor interest rates in financial markets, and adopt a pragmatic approach to changing circumstances:-

- if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.
- if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.
- Link Group's long-term (beyond 10 years) forecast is 3%. All PWLB certainty rates are currently significantly above this rate. Therefore, better value can be gained from short-term investments until the bank rates reduce.

### **8.2 External v Internal Borrowing**

**8.2.1** Current conditions indicate a need for a flexible approach to the choice between internal and external borrowing. However, it remains the case that there are certain limitations to externalise borrowing, careful on-going consideration needs to be given to the difference between borrowing rates and investment rates to ensure the Council obtains value for money once an appropriate level of risk management has been attained to ensure the security of its investments.

**8.2.2** In favour of internalisation, over the medium term, 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 is referred to as internal borrowing). This would maximise short term savings.

**8.2.3** However, short term savings by avoiding new long term external borrowing in 2024/25 must also be weighed against the potential for incurring additional long term extra costs, by delaying unavoidable new external borrowing, as PWLB long term rates are now higher. Additionally, the cash flow implications of internalising borrowing require regular review and will limit the potential extent of internalising borrowing.

### **8.3 Borrowing in Advance of Need**

**8.3.1** The Council will not borrow more than, or in advance of, its needs, purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

## 8.4 Debt Rescheduling

**8.4.1** Rescheduling of current borrowing in our debt portfolio may be considered whilst premature redemption rates remain elevated, but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate.

**8.4.2** All rescheduling will be reported to the Governance & Audit Committee at the earliest practicable meeting following its action.

## 8.5 Borrowing from other Financial Institutions

The PWLB is the Council's main source of borrowing, with some loans from the Welsh Government owned organisation, Salix, for funding of energy efficiency and low carbon projects. The PWLB certainty rate is gilts & 80 basis points (0.8%). Consideration may be given to borrowing from the below:-

- Local authorities;
- UK Municipal Bond Agency – pooled loans;
- Money Market Funds.

## 9. DEBT PROFILE

**9.1** Appendix 4 shows the maturity information of the Council's borrowing, the existing borrowing is due to be repaid in various years up to 2068/69. This also includes the present value of the loan payments to reflect the true impact of the loan amounts in the future, by discounting the loan principals by 3.5%, the recommended long-term rate to measure the value of money over time. The Council will aim to ensure that the repayment date is arranged so as to smooth out repayments as far as possible, but priority will be given to the interest rate payable when determining the type of loan (maturity or annuity) and the length of the loan.

**Table 7 – Maturity Profile of PWLB Loans, January 2024**

Number of Years until Loan Matures	Principal £'m	Present Value of Principal £'m	Cumulative %
<1	1.87	1	1.6
1 to 3	1.44	1	2.8
4 to 6	4.04	3	6.1
7 to 10	3.38	3	9.0
11 to 14	2.42	2	11.0
15 to 22	23.22	12	30.4
23 to 33	41.74	15	65.3
34 to 50	41.48	10	100.0
<b>TOTAL</b>	<b>119.58</b>	<b>47</b>	

## 10. INVESTMENT STRATEGY AND CREDITWORTHINESS POLICY

**10.1** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current forecasts predict that the base rate will remain at 5.25% but will start to reduce from September 2024. Therefore, an agile investment strategy would be appropriate to optimise returns. Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

## 10.2 Management of Risk

The Isle of Anglesey County Council is one of the smallest local authorities in Wales. It receives the second lowest settlement from Welsh Government, with Merthyr Tydfil receiving the lowest. The Council does not have the large council balances some of the larger authorities hold, though there are larger councils with similar balances or less. Management of risk is the primary consideration for all of the Council's investments.

- 10.2.1** The Council's investment priorities will be security first, portfolio liquidity second and then yield (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity, with the Council's risk appetite being for low-risk investments only.
- 10.2.2** Minimum acceptable **credit criteria** (Appendix 7) are applied to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
- 10.2.3** **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate.
- 10.2.4** Investments can be specified or non-specified (Appendix 6 defines these and provides further information. The Council in line with its requirement for investing in low risk investments, will only invest in specified investments.
- **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.
  - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year and / or are more complex instruments which require greater consideration by Members and officers before being authorised for use.
- 10.2.5** Lending limits (amounts and maturity) for each counterparty will be set through applying the matrix table as set out in the Creditworthiness section of this strategy.
- 10.2.6** This Council will set a limit for the amount of its investments which are invested for longer than 365 days (see Appendix 10).
- 10.2.7** The Council will only invest in counterparties outside the UK if the credit ratings are AAA or above and if there are exceptional circumstances, such as the creditworthiness of UK investments are compromised. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating** (see Appendix 8).
- 10.2.8** This Council has engaged **external consultants** to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Council in the context of the expected level of cash balances and need for liquidity throughout the year.
- 10.2.9** All investments will be denominated in **sterling**.

### **10.3 Creditworthiness Policy**

**10.3.1** The primary principle governing the Council's investment criteria is the security of its investments. After this main principle, the Council will ensure that:-

- It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.
- It will only invest in counterparties which have credit ratings as outlined in Appendix 7.

**10.3.2** As an additional layer to the minimum credit rating criteria described above, this Council also employs the creditworthiness service provided by Link Group.

**10.3.3** The Link creditworthiness service uses a wider array of information than just primary ratings and, by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

- All credit ratings will be monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service. If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

**10.3.4** Significant levels of downgrades to short and long-term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. Accordingly, when setting minimum sovereign debt ratings, the Council will not set a minimum rating for the UK.

### **10.4 Country Limits**

The Council has determined that, with the exception of the UK, it will only use approved counterparties from countries with a minimum sovereign credit rating of AAA from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). The list of countries that qualify using this credit criteria, as at the date of this report, are shown in Appendix 8. This list will be added to or deducted from by officers should ratings change in accordance with this policy. In practice, investments tend to be placed in UK banks for security reasons. The list is included for the unlikely event of there being an exceptional need to invest in highly secure counter-parties in other countries. For example, in the event of UK banks losing their creditworthiness and failing the specific Counterparties Council's criteria.

## **11. GOVERNANCE AND CONTROL**

**11.1** The Prudential Code reflects a move towards self-regulation for local authorities, and effective corporate governance is one of the key elements to the successful implementation of the Code.

**11.2** Corporate Governance includes the following elements:-

- A formal role for the Section 151 Officer;
- Setting and monitoring of Prudential and Treasury Indicators;
- A scheme of delegation and a process of formal approval;
- Reporting on Treasury Management matters to Members.

### **11.3 Role of the Section 151 Officer and Members**

- 11.3.1** The Section 151 Officer is responsible for ensuring that matters relating to Treasury Management and Capital Financing are taken into account and reported to the Executive / full Council for consideration, and that procedures are established to monitor performance.
- 11.3.2** The Section 151 Officer must ensure that prudential indicators are set and monitored in order to demonstrate the legislative requirement that the Council's financial plans are affordable.
- 11.3.3** Members also play an important role in not just authorising the relevant decisions but also in scrutinising treasury management processes, decisions and performance. In order to undertake this role, the CIPFA Treasury Management Code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny. In order to support the scrutiny role of the members of the Governance & Audit Committee, the Committee's members received training in treasury management, delivered by the appointed treasury management consultants on 14 September 2022. Further training will be arranged when required. The training needs of treasury management officers are regularly reviewed and addressed.
- 11.3.4** The Council officers involved in treasury management activities have comprehensive knowledge and skills for managing the treasury management function. The Section 151 Officer plays a key role in Treasury Management and approves or rejects any investments proposed by the team. The Council also provides training to increase the knowledge and skills for those responsible for management, delivery, governance and decision making.
- 11.3.5** A formal record of the training received by officers central to the Treasury function will be maintained by the Resources Performance Team. Similarly, a formal record of the treasury management / capital finance training received by Members will also be maintained by the Head of Democratic Services.
- 11.3.6** The Treasury Management Scheme of Delegation and a fuller explanation of the role of the Section 151 Officer is set out in Appendix 9.

## **12. TREASURY MANAGEMENT ADVICE**

- 12.1** The Council uses Link Group, Link Treasury Services Limited as its external treasury management advisors. In accordance with procurement regulations, the Council retendered this service during early 2021, for the period 1 April 2021 to 31 March 2024, with an option to extend for two years, with Link Group, Treasury Solutions being the successful tender.
- 12.2** The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers. Final responsibility for treasury management decisions remains with the Council.

## **13. PRUDENTIAL AND TREASURY INDICATORS**

- 13.1** The Prudential and Treasury Indicators set out in Appendix 10 cover affordability, prudence and sets out limits for capital expenditure, external debt, the liability benchmark and the maturity structure of borrowing. It is for the Council to set the Prudential Indicators and it is important to not just consider the indicators for each individual year in isolation, but also to consider the past performance and the future forecasts. A fuller explanation of the purpose of each indicator is set out in Appendix 10.

## **14. REPORTING**

**14.1** The Council is required to receive and approve, as a minimum, five main reports each year, which incorporate a variety of policies, estimates and actuals.

- Prudential and Treasury Management Indicators and Treasury Strategy - the first and most important report (this report) is forward looking and covers:-
- the Treasury Management Strategy (how the investments and borrowings are to be organised), including treasury management indicators;
- an Investment Strategy (the parameters on how investments are to be managed);
- a Minimum Revenue Provision (MRP) Policy (how residual capital expenditure is charged to revenue over time);
- a Treasury Management Policy Statement (definition of the policies and objectives of the treasury management function); and
- the capital plans (including the associated prudential indicators).

**14.2** Quarterly treasury management monitoring reports - these will update Members with the progress of the capital position, amending prudential indicators as necessary and whether the treasury strategy is meeting its objectives or whether any policies require revision.

**14.3** An annual treasury year-end report - this is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

**14.4** The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Governance & Audit Committee for the mid-year and year-end reports. The Executive will scrutinise the quarter 1 and quarter 3 reports which were introduced by the Prudential Code 2021.

## **15. CONCLUSION**

**15.1** In summary, the Treasury Management Strategy Statement for 2024/25 continues the strategy of a prudent approach to borrowing, in order to limit the revenue implications, and using internal borrowing where cash balances allow. The investment strategy continues the policy of ensuring the security and liquidity of deposits over yield.

**15.2** It is envisaged that, over the lifetime of the strategy, that the continued use of reserves to contribute to fund the revenue budget and the use of the Housing Revenue Account to fund capital expenditure will reduce cash balances significantly. An increased level of borrowing will have to be undertaken in order to fund the Council's capital programme, whilst still maintaining sufficient cash balances to fund liabilities as they fall due.

## The CIPFA Treasury Management in the Public Services: Code of Practice

The key principles of CIPFA's *Treasury Management in the Public Services: Code of Practice (2021 Edition)*, as described in Section 4 of that Code are as follows:-

### Key Principle 1:

Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.

### Key Principle 2:

Their policies and practices should make clear that the effective management and control of risks are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy, including any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and portfolio liquidity when investing treasury management funds.

### Key Principle 3:

They should acknowledge that the pursuit of value for money in treasury management and the use of suitable performance measures are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that, within the context of effective risk management, their treasury management policies and practices should reflect this.

The Code then goes on to say that:-

“In framing these recommendations, CIPFA acknowledges the difficulties of striving for effective risk management and control, whilst at the same time pursuing value for money. This code does not seek to be prescriptive about how this issue should be handled, particularly since it covers such a wide variety of organisations. However, where appropriate, the sector specific guidance notes give suitable advice. CIPFA recognises that no two organisations in the public services are likely to tackle this issue in precisely the same manner but success in this area of treasury management is likely to be viewed, especially in value for money terms, as an indicator of a strongly performing treasury management function.”

“It is CIPFA's view that throughout the public services the priority is to protect capital rather than to maximise return. The avoidance of all risk is neither appropriate nor possible. However, a balance must be struck with a keen responsibility for public money.”

Accordingly, the Authority will adopt, as part of the standing orders, the following four clauses:-

1. The Authority will create and maintain, as the cornerstones for effective treasury management:-
  - a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities; and
  - suitable treasury management practices (TMPs) setting out the manner in which the Authority will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the Policy Statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the Authority. Such amendments will not result in the Authority materially deviating from the Code's key principles.

2. The County Council, Executive Committee and the Governance & Audit Committee will receive reports on the Authority's treasury management policies, practices and activities, including: an annual strategy and plan in advance of the year, a mid-year review report and an annual report after its close, in the form prescribed in the TMPs.
3. The County Council/Executive Committee are responsible for the implementation of the Authority's treasury management policies and practices in accordance with the Treasury Management Scheme of Delegation. The Section 151 Officer is responsible for the execution and administration of treasury management decisions, who will act in accordance with the Authority's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
4. The Authority nominates the Governance & Audit Committee to be responsible for ensuring effective scrutiny of treasury management strategy and policies.



## ECONOMIC BACKGROUND

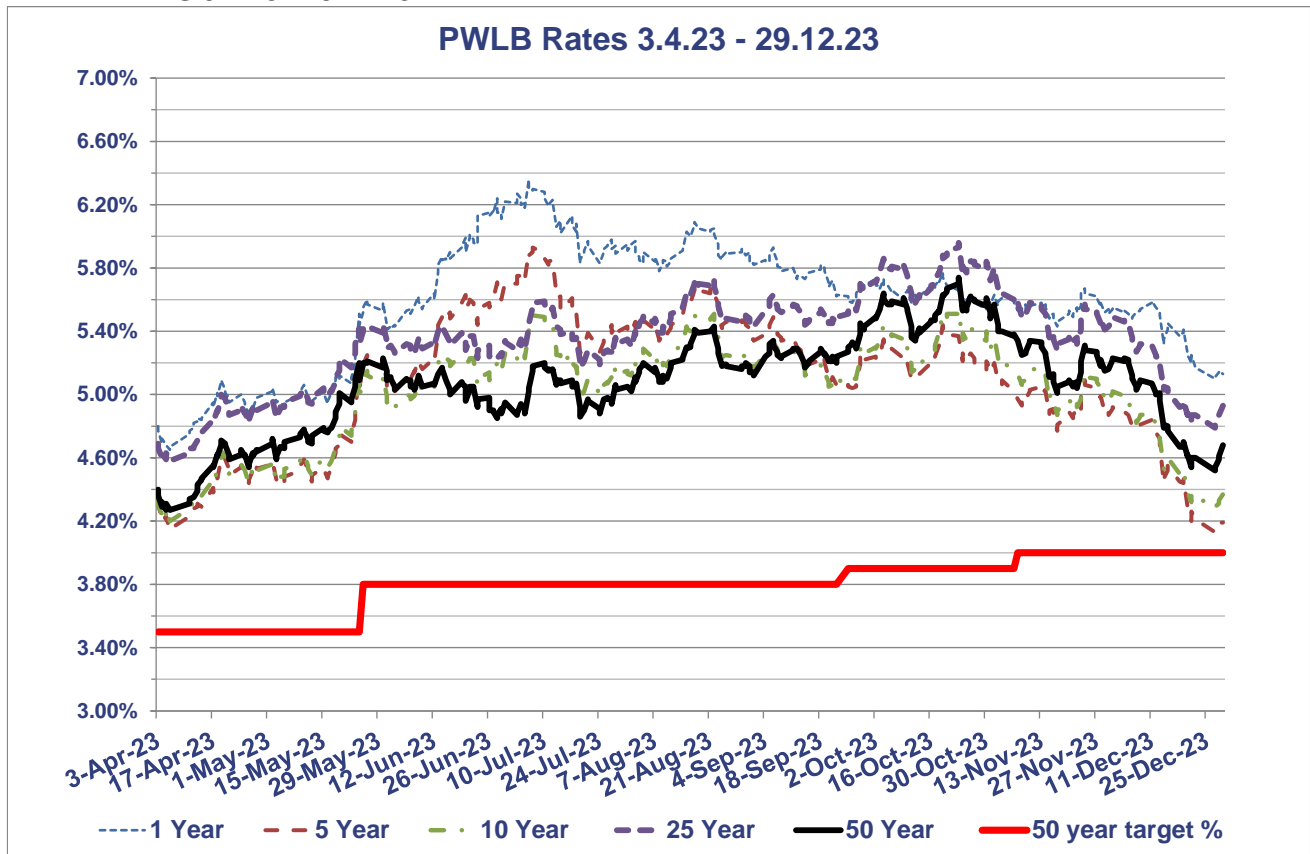
- The third quarter of 2023/24 saw:
  - A 0.3% m/m decline in real GDP in October, potentially partly due to unseasonably wet weather, but also due to the ongoing drag from higher interest rates. Growth for the second quarter, ending 30<sup>th</sup> September, was revised downwards to -0.1% and growth on an annual basis was also revised downwards, to 0.3%;
  - A sharp fall in wage growth, with the headline 3myy rate declining from 8.0% in September to 7.2% in October, although the ONS “experimental” rate of unemployment has remained low at 4.2%;
  - CPI inflation continuing on its downward trajectory, from 8.7% in April to 4.6% in October, then again to 3.9% in November;
  - Core CPI inflation decreasing from April and May’s 31 years’ high of 7.1% to 5.1% in November, the lowest rate since January 2022;
  - The Bank of England holding Bank Rate at 5.25% in November and December;
  - A steady fall in 10-year gilt yields as investors revised their interest rate expectations lower.
- The revision of GDP data in Q2 to a 0.1% q/q fall may mean the mildest of mild recessions has begun. Indeed, real GDP in October fell 0.3% m/m which does suggest that the economy may stagnate again in Q3. The weakness in October may partly be due to the unseasonably wet weather. That said, as the weakness was broad based it may also be the case that the ongoing drag from higher interest rates is more than offsetting any boost from the rise in real wages.
- However, the rise in the flash composite activity Purchasing Managers Index, from 50.7 in November to 51.7 in December, did increase the chances of the economy avoiding a contraction in Q3. The improvement was entirely driven by the increase in the services activity balance from 50.9 to 52.7. (Scores above 50 point to expansion in the economy, although only tepid in this instance.) The press release noted that this was primarily driven by a revival in consumer demand in the technological and financial services sectors. This chimes with the further improvement in the GfK measure of consumer confidence in December, from -24 to -22. The services PMI is now consistent with non-retail services output growing by 0.5% q/q in Q3, but this is in stark contrast to the manufacturing sector where the output balance slumped from 49.2 to 45.9 and, at face value, the output balance is consistent with a 1.5% q/q fall in manufacturing output in Q3.
- The 0.3% m/m fall in retail sales volumes in October means that after contracting by 1.0% q/q (which was downwardly revised from -0.8% q/q) in Q2, retail activity remained weak at the start of Q3. That suggests higher interest rates are taking a bigger toll on real consumer spending.
- Higher interest rates have filtered through the financial channels and weakened the housing market but, overall, it remains surprisingly resilient with the Halifax house price index recently pointing to a 1.7% year on year increase whilst Nationwide’s December data pointed to a -1.8% year on year decrease. However, the full weakness in real consumer spending and real business investment has yet to come as currently it is estimated that around two thirds to a half of the impact of higher interest rates on household interest payments has yet to be felt.
- Overall, we expect real GDP growth to remain subdued throughout 2024 as the drag from higher interest rates is protracted but a fading of the cost-of-living crisis and interest rate cuts in the second half of 2024 will support a recovery in GDP growth in 2025.

- The labour market remains tight by historical standards, but the sharp fall in wage growth seen in October will reinforce the growing belief in markets that interest rates will be cut mid-2024. Wage growth eased in October much faster than the consensus expected. Total earnings fell by 1.6% m/m, which meant the headline 3myy rate eased from 8.0% in September to 7.2% in October. This news will be welcomed by the Bank of England. Indeed, the timelier three-month annualised rate of average earnings growth fell from +2.4% to -1.2%. Excluding bonuses, it fell from 5.3% to 2.0%. Furthermore, one of the Bank's key barometers of inflation persistence, regular private sector pay growth, dropped from 7.9% 3myy to 7.3%, which leaves it comfortably on track to fall to 7.2% by December, as predicted by the Bank in November.
- The fall in wage growth occurred despite labour demand being stronger in October than expected. The three-month change in employment eased only a touch from +52,000 in September to +50,000 in October. But resilient labour demand was offset by a further 63,000 rise in the supply of workers in the three months to October. That meant labour supply exceeded its pre-pandemic level for the first time, and the unemployment rate remained at 4.2% in October. In the three months to November, the number of job vacancies fell for the 17<sup>th</sup> month in a row, from around 959,000 in October to around 949,000. That has reduced the vacancy to unemployment ratio as demand for labour eases relative to supply, which may support a further easing in wage growth in the coming months.
- CPI inflation fell from 6.7% in September to 4.6% in October, and then again to 3.9% in November. Both these falls were bigger than expected and there are clear signs of easing in domestic inflationary pressures. The fall in core CPI inflation from 5.7% to 5.1% in November was bigger than expected (consensus forecast 5.6%). That's the lowest rate since January 2022. Some of the decline in core inflation was due to the global influence of core goods inflation, which slowed from 4.3% to 3.3%. But some of it was due to services inflation falling from 6.6% to 6.3%. The Bank views the latter as a key barometer of the persistence of inflation and it came in further below the Bank's forecast of 6.9% in its November Monetary Policy Report. This will give the Bank more confidence that services inflation is now on a firmly downward path.
- The Bank of England sprung no surprises with its December monetary policy committee (MPC) meeting, leaving interest rates at 5.25% for the third time in a row and pushing back against the prospect of near-term interest rate cuts. The Bank continued to sound hawkish, with the MPC maintaining its tightening bias saying that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures". And it stuck to the familiar script, saying that policy will be "sufficiently restrictive for sufficiently long" and that "monetary policy is likely to need to be restrictive for an extended period of time". In other words, the message is that the MPC is not yet willing to endorse investors' expectations that rates will be cut as soon as May 2024.
- Looking ahead, our colleagues at Capital Economics forecast that the recent downward trends in CPI and core inflation will stall over the next few months before starting to decline more decisively again in February. That explains why we think the Bank of England won't feel comfortable cutting interest rates until H2 2024.
- The fall in UK market interest rate expectations in December has driven most of the decline in 10-year gilt yields, which have fallen in line with 10-year US Treasury and euro-zone yields. 10-year gilt yields have fallen from 4.68% in October 2023 to around 3.70% in early January, with further declines likely if the falling inflation story is maintained.
- Investors' growing expectations that the Fed will cut interest rates soon has led to an improvement in risk sentiment, which has boosted the pound and other risky assets. In addition, the rise in the pound, from \$1.21 in November to \$1.27 now, has also been supported by the recent relative decline in UK wholesale gas prices.

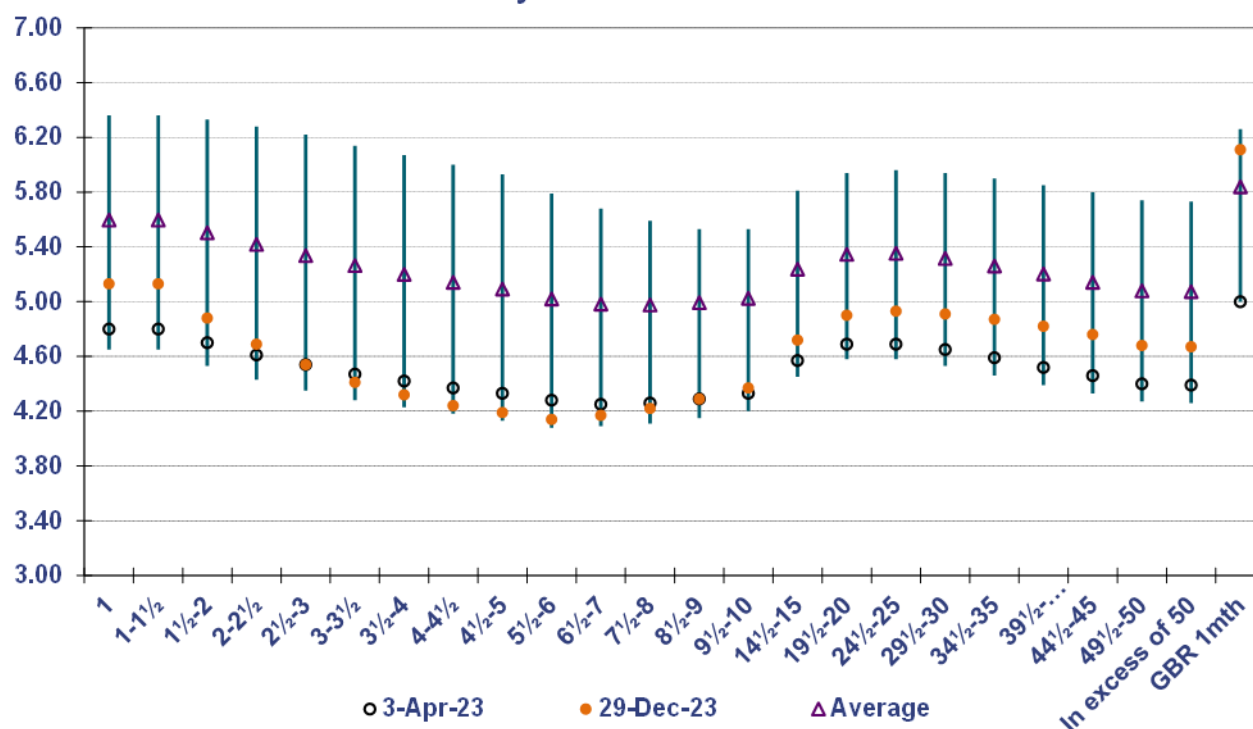
- The further fall in 10-year real gilt yields in December has supported the recent rise in the FTSE 100. That said, the index remains 5% below its record high in February 2023. This modest rise in equities appears to have been mostly driven by strong performances in the industrials and rate-sensitive technology sectors. But UK equities have continued to underperform US and euro-zone equities. The FTSE 100 has risen by 2.2% in December, while the S&P 500 has risen by 3.8%. This is partly due to lower energy prices, which have been a relatively bigger drag on the FTSE 100, due to the index's high concentration of energy companies.

In the chart below, the rise in gilt yields across the curve in the first half of 2023/24, and therein PWLB rates, is clear to see, prior to the end of year rally based on a mix of supportive domestic and international factors.

**PWLB RATES 3.4.23 - 29.12.23**



### PWLB Certainty Rate Variations 3.4.23 to 29.12.23



### HIGH/LOW/AVERAGE PWLB RATES FOR 3.4.23 – 29.12.23

	1 Year	5 Year	10 Year	25 Year	50 Year
<b>Low</b>	4.65%	4.13%	4.20%	4.58%	4.27%
<b>Date</b>	06/04/2023	27/12/2023	06/04/2023	06/04/2023	05/04/2023
<b>High</b>	6.36%	5.93%	5.53%	5.96%	5.74%
<b>Date</b>	06/07/2023	07/07/2023	23/10/2023	23/10/2023	23/10/2023
<b>Average</b>	5.60%	5.09%	5.03%	5.35%	5.08%
<b>Spread</b>	1.71%	1.80%	1.33%	1.38%	1.47%

### MPC meetings 2<sup>nd</sup> November and 14<sup>th</sup> December 2023

- On 2<sup>nd</sup> November, the Bank of England’s Monetary Policy Committee (MPC) voted to keep Bank Rate on hold at 5.25%, and on 14<sup>th</sup> December reiterated that view. Both increases reflected a split vote, the latter by 6 votes to 3, with the minority grouping voting for an increase of 0.25% as concerns about “sticky” inflation remained in place.
- Nonetheless, with UK CPI inflation now at 3.9%, and core inflating beginning to moderate (5.1%), markets are voicing a view that rate cuts should begin in Q1 2024/25, some way ahead of the indications from MPC members. Of course, the data will be the ultimate determinant, so upcoming publications of employment, wages and inflation numbers will be of particular importance, and on-going volatility in Bank Rate expectations and the gilt yield curve can be expected.
- In addition, what happens outside of the UK is also critical to movement in gilt yields. The US FOMC has kept short-term rates in the range of 5.25%-5.50%, whilst the ECB has moved its Deposit rate to a probable peak of 4%. Markets currently expect both central banks to start cutting rates in 2024.



<b>PWLB debt</b>	<b>Current borrowing rate as at 08.01.24 p.m.</b>	<b>Target borrowing rate now (end of Q4 2025)</b>	<b>Target borrowing rate previous (end of Q3 2025)</b>
5 years	4.53%	3.70%	3.80%
10 years	4.67%	3.90%	3.80%
25 years	5.19%	4.20%	4.20%
50 years	4.97%	4.00%	4.00%



*Rhan o gyngor dderbyniwyd gan / An extract from advice received from: Link Group, Treasury Solutions*

**Rhagolygon Graddfeydd Llog 2024/2025**

**Interest Rate Forecasts 2024/2025**

PWLB rates and forecast shown below have taken into account the 20 basis point certainty rates.

Interest Rate Forecasts								
Bank Rate	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Link	5.25%	5.25%	4.75%	4.25%	3.75%	3.25%	3.00%	3.00%
Cap Econ	5.25%	5.00%	4.50%	4.00%	3.50%	3.00%	3.00%	3.00%
<b>5Y PWLB RATE</b>								
Link	4.50%	4.40%	4.30%	4.20%	4.10%	4.00%	3.80%	3.70%
Cap Econ	4.50%	4.30%	4.20%	4.00%	3.90%	3.80%	3.80%	3.70%
<b>10Y PWLB RATE</b>								
Link	4.70%	4.50%	4.40%	4.30%	4.20%	4.10%	4.00%	3.90%
Cap Econ	4.50%	4.40%	4.20%	4.10%	4.10%	4.10%	4.10%	4.10%
<b>25Y PWLB RATE</b>								
Link	5.20%	5.10%	4.90%	4.80%	4.60%	4.40%	4.30%	4.20%
Cap Econ	5.10%	4.80%	4.60%	4.30%	4.40%	4.40%	4.50%	4.60%
<b>50Y PWLB RATE</b>								
Link	5.00%	4.90%	4.70%	4.60%	4.40%	4.20%	4.10%	4.00%
Cap Econ	4.70%	4.60%	4.50%	4.30%	4.30%	4.30%	4.40%	4.40%

*Additional notes by Link on this forecast table: -*

- Our central forecast for interest rates was previously updated on 7 November and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least H2 2024. We expect rate cuts to start when both the CPI inflation and wage/employment data are supportive of such a move, and when there is a likelihood of the overall economy enduring at least a slowdown or mild recession over the coming months (although most recent GDP releases have surprised with their on-going robustness).
- Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.
- In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

*Rhan o gyngor dderbyniwyd gan / An extract from advice received from: Link Group*

<b>DADANSODDIAD BENTHYCIADAU PWLB YN AEDDFEDU 2024/25 YMLAEN / PWLB LOANS MATURITY ANALYSIS 2024/25 ONWARDS</b>						
	<b>Aeddfedu PWLB Maturity</b>	<b>Blwydd-dal PWLB EIP/ Annuity</b>	<b>Benthyciadau Marchnad/ Market Loans</b>	<b>Amrywiol/ PWLB Variable</b>	<b>Cyfanswm yn Aeddfedu/ Total Maturing</b>	<b>%Yn Aeddfedu o'r Cyfran yn sefyll/ Maturing of Total Outstanding %</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>
2024/25	0	18	0	0	18	0.0
2025/26	0	20	0	0	20	0.0
2026/27	1,381	22	0	0	1,403	1.2
2027/28	2,165	24	0	0	2,189	1.9
2028/29	262	26	0	0	288	0.2
2029/30	1,539	21	0	0	1,560	1.3
2030/31	451	15	0	0	466	0.4
2031/32	1,941	9	0	0	1,950	1.7
2032/33	315	7	0	0	322	0.3
2033/34	637	0	0	0	637	0.6
2034/35	624	0	0	0	624	0.5
2035/36	611	0	0	0	611	0.5
2036/37	599	0	0	0	599	0.5
2037/38	587	0	0	0	587	0.5
2038/39	226	0	0	0	226	0.2
2039/40	5,000	0	0	0	5,000	4.2
2040/41	3,500	0	0	0	3,500	3.0
2042/43	1,000	0	0	0	1,000	0.8
2043/44	1,020	0	0	0	1,020	0.9
2044/45	1,010	0	0	0	1,010	0.9
2045/46	11,464	0	0	0	11,464	9.7
2050/51	2,000	0	0	0	2,000	1.7
2052/53	28,238	0	0	0	28,238	24.0
2054/55	3,000	0	0	0	3,000	2.6
2055/56	3,500	0	0	0	3,500	3.0
2056/57	5,000	0	0	0	5,000	4.2
2057/58	8,513	0	0	0	8,513	7.2
2059/60	1,763	0	0	0	1,763	1.5
2064/65	10,000	0	0	0	10,000	8.5
2066/67	6,200	0	0	0	6,200	5.3
2068/69	15,000	0	0	0	15,000	12.7
	<b>117,546</b>	<b>162</b>	<b>0</b>	<b>0</b>	<b>117,708</b>	<b>100.0</b>
Cyfartaledd bywyd (blynyddoedd)/ Average life (years)	31.14	3.42	0.00	0.00	31.10	
Cyfartaledd graddf (%)/ Average rate (%)	4.47	9.42	0.00	0.00	4.47	

**PROFFIL AD-DALU BENTHYCIADAU ERAILL 2024/25 YMLAEN /  
OTHER LOANS REPAYMENT PROFILE 2024/25 ONWARDS**

	<b>Benthyciad Salix Loan 1</b>	<b>Benthyciad Salix Loan 2</b>	<b>Benthyciad Salix Loan 3</b>	<b>Benthyciad Salix Loan</b>	<b>Benthyciad Salix Loan 5</b>	<b>Benthyciad Salix Loan 6</b>	<b>Cyfanswm / Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
2024/25	8	46	64	26	220	264	628
2025/26	0	45	64	26	220	264	619
2026/27	0	0	64	27	220	264	575
2027/28	0	0	63	27	220	264	574
2028/29	0	0	63	27	220	264	574
2029/30	0	0	0	13	221	265	499
2030/31	0	0	0	0	221	265	486
2031/32	0	0	0	0	221	265	486
2032/33						265	265
2033/24						265	265
2034/35						265	265
2035/36						265	265
<b>Cyfanswm / Total</b>	<b>8</b>	<b>91</b>	<b>318</b>	<b>146</b>	<b>1,763</b>	<b>3,175</b>	<b>5,501</b>



## Minimum Revenue Provision (MRP) Policy Statement 2024/25

The Council is required to pay off an element of the accumulated Council Fund and HRA capital spend funding by borrowing, each year (the CFR) through a revenue charge (the minimum revenue provision, MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision, VRP).

The Welsh Government statutory guidance requires the Council to approve a MRP Statement in advance of each year. The guidance also states “if it is ever proposed to vary the terms of the original statement during the year, a revised statement should be put to the Council at that time”. A variety of options is provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement, which remains unchanged from the MRP Policy 2023/24:

From 1st April 2022, for all capital expenditure funded by supported and unsupported borrowing (CFR), MRP will be charged on the asset life - annuity method at the Council’s average interest rate on all of its loans at the end of each relevant year-end.

MRP charges based on the asset life – annuity method may not be charged until the year the asset becomes operational. The Section 151 Officer may postpone the MRP charge until the financial year following the one in which the asset becomes operational. The estimated asset life of the asset would be determined in the year the MRP commences and would not change over the life of the asset. The estimated life periods will be set by the Section 151 Officer, based upon advice received from the relevant officers and will have regard to statutory requirements and Welsh Government guidance in relation to MRP and asset life. Where land is purchased, the asset life will be based on the asset life of the asset placed on the land, which in the majority of cases will be 50 years, in line with the asset life for buildings.

As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. In addition, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

The Council retains the right to make additional voluntary payments to reduce debt if deemed prudent.

The Housing Revenue Account (HRA) MRP charge for its share of supported and unsupported borrowing, will also be based on the asset life – annuity method at the Council’s average interest rate on its loans at the relevant year end.

Any repayments included in annual PFI or finance leases are applied as MRP and will be consistent with the asset life – annuity basis over the life of the lease or PFI scheme.

## Specified and Non-Specified Investments

The Welsh Government 'Guidance on Local Government Investments' (Effective from 1 April 2010) provides the definition of specified and non-specified investments.

Paragraph 5.1 of the 'Guidance' states that an investment is specified if all of the following apply:-

- (a)** the investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling; and
- (b)** the investment is not a long-term investment (\*); and
- (c)** the making of the investment is not defined as capital expenditure by virtue of regulation 20(1)(d) of the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 [SI 3239 as amended]; and
- (ch)** the investment is made with a body or in an investment scheme of high credit quality (\*\*); or with one of the following public-sector bodies:
  - (i)** the United Kingdom Government;
  - (ii)** a local authority in England or Wales (as defined in section 23 of the 2003 Act) or a similar body in Scotland or Northern Ireland;
  - (iii)** a parish or community council.

The 'Guidance' also states that any investment not meeting the definition of paragraph 5.1 is classified as a non-specified investment.

During 2024/25 the Council does not intend to make any investments in foreign currencies, nor any with low credit quality bodies, nor any that are defined as capital expenditure by legislation (such as company shares). Non-specified investments will therefore be limited to (i) long-term investments; and (ii) deposits with the Council's own banker for transactional purposes if it fails to meet the basic credit criteria; in this instance balances will be minimised as far as is possible

The table in Appendix 7 set out the investment criteria and limits for the categories of investments intended for use during 2024/25 and, therefore, form the basis for the approved lending list.

Any proposed revisions or amendments during the year to the categories of specified and non-specified investments to be used and / or to the associated credit rating criteria / investment limits will be subject to prior approval by the County Council.

## Counterparty Criteria

Category	Short Term Credit Rating (Fitch)	Short Term Credit Rating (Moody's)	Short Term Credit Rating (Standard & Poor's)	Long Term Credit Rating (Fitch)	Long Term Credit Rating (Moody's)	Long Term Credit Rating (Standard & Poor's)	Cash Limit	Time Limit
Bank and Building Societies (not nationalised or part nationalised)	F1+	P-1	A-1+	AAA	Aaa	AAA	£10m	5 years
	F1+	P-1	A-1+	AA	Aa2	AA	£10m	3 years
	F1+	P-1	A-1+	AA-	Aa3	AA-	£10m	364 days
	F1	P-1	A-1	A	A2	A	£7.5m	6 months
Nationalised / Part Nationalised UK Banks	n/a	n/a	n/a	n/a	n/a	n/a	£10m	364 days
NatWest Bank (Part Nationalised)	n/a	n/a	n/a	n/a	n/a	n/a	£30m	364 days
UK Central Government (irrespective of credit rating)	n/a	n/a	n/a	n/a	n/a	n/a	No maximum	No maximum
UK Local Authorities*	n/a	n/a	n/a	n/a	n/a	n/a	£10m	364 days
Money Market Funds	n/a	n/a	n/a	AAA	AAA	AAA	£5m	6 months

\*as defined in the Local Government Act 2003

### **Notes and Clarifications**

#### **(1) Cash Limit**

- (i) The cash limits apply both to the individual counterparty and to the overall group to which it belongs (e.g. for the banks within the Lloyds Banking Group plc (being Bank of Scotland plc and Lloyds Bank plc), the investment limit applies to those banks individually and the banking group as a whole);
- (ii) The overall cash limit for deposits over 364 days is £15m.

#### **(2) Time Limit**

- (i) This up to and including the period indicated.

#### **(3) Foreign Countries**

- (i) Investments in foreign countries will be limited to those that hold a sovereign credit rating of (Fitch) AA- or equivalent (from the agencies referred to in section 4.3 of this strategy) sovereign credit rating (based upon the lowest common denominator), and to a maximum of £10 million per foreign country.
- (ii) Investments in countries whose lowest sovereign rating is not AA or above will not be permitted. No country limit will apply to investments in the UK, irrespective of the sovereign credit rating.
- (iii) Subsidiaries of foreign banking groups will normally be assessed according to the country of domicile of the parent organisation. However, Santander UK plc (a subsidiary of Spain's Banco Santander) will be classed as a UK bank due to its substantial UK franchises and the arms-length nature of the parent-subsidary relationships.

#### **(4) Credit Rating Downgrade**

Should a credit rating downgrade place a counterparty below the minimum credit rating criteria for investment, the counterparty will cease to be used as soon as practicable.

If the Section 151 Officer wishes to continue investing with that counterparty approval will be sought from the Chair of the Governance & Audit Committee plus one other member of the Chair's choosing, who both must approve the action. This will then be reported as appropriate at the next available opportunity.

**Approved countries for investments [correct as at 19 December 2022]**

*This list is based on those countries which have sovereign ratings of AA- or higher (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong, and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link credit worthiness service.*

***Based on lowest available rating***

## AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

## AA+

- Canada
- Finland
- U.S.A.

## AA

- Abu Dhabi (UAE)

## AA-

- Belgium
- Qatar
- France (downgraded by Fitch 2023)
- **U.K.**

## Treasury management scheme of delegation

### (i) County Council

- budget approval;
- approval of the annual Treasury Management Strategy Statement, Annual Investment Strategy and MRP Policy, annual Treasury Management Policy Statement and amendments thereto;
- approval of amendments to the Council's adopted clauses;
- receiving and reviewing monitoring reports on treasury management policies, practices and activities; and
- acting on recommendations received from the Governance & Audit Committee and/or Executive Committee.

### (ii) Executive Committee

- budget consideration;
- approval of the division of responsibilities;
- approval of the selection of external service providers and agreeing terms of appointment;
- receiving and reviewing monitoring reports on treasury management policies, practices and activities and making recommendations to the County Council as appropriate; and
- acting on recommendations received from the Governance & Audit Committee.

### (iii) Governance & Audit Committee

- Scrutiny of Treasury Management matters as required by CIPFA's Code of Practice on Treasury Management and the Council's Treasury Management Policy. This includes:-
  - scrutinising the annual Treasury Management Strategy Statement, Annual Investment Strategy, Annual MRP Policy, Annual Treasury Management Policy and Treasury Management Practices and making recommendations to the Executive Committee and County Council as appropriate;
  - scrutinising proposals for amendments to the annual Treasury Management Strategy Statement, Annual Investment Strategy, Annual MRP Policy, Annual Treasury Management Policy and Treasury Management Practices and to the adopted clauses and making recommendations to the Executive and County Council as appropriate;
  - receiving and scrutinising any other proposals relating to the treasury management which require a decision by the Executive or County Council; and
  - receiving and scrutinising monitoring reports on treasury management policies, practices and activities and make recommendations to the Executive and County Council as appropriate.

## The Treasury Management role of the Section 151 Officer

### The Section 151 (responsible) Officer's role includes:-

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;

- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers;
- responsibility for the execution and administration of its Treasury decisions, including decision on borrowing, investment and financing, have been delegated to the Section 151 Officer, who will act in accordance with the Council's policy statements and TMP's;
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe;
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the Authority;
- ensure that the Authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the Authority does not undertake a level of investing which exposes the Authority to an excessive level of risk compared to its financial resources;
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities;
- provision to Members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees;
- ensuring that Members are adequately informed and understand the risk exposures taken on by the Authority;
- ensuring that the Authority has adequate expertise, either in house or externally provided, to carry out the above;
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following: -
  - Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;
  - Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;
  - Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;
  - Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;
  - Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

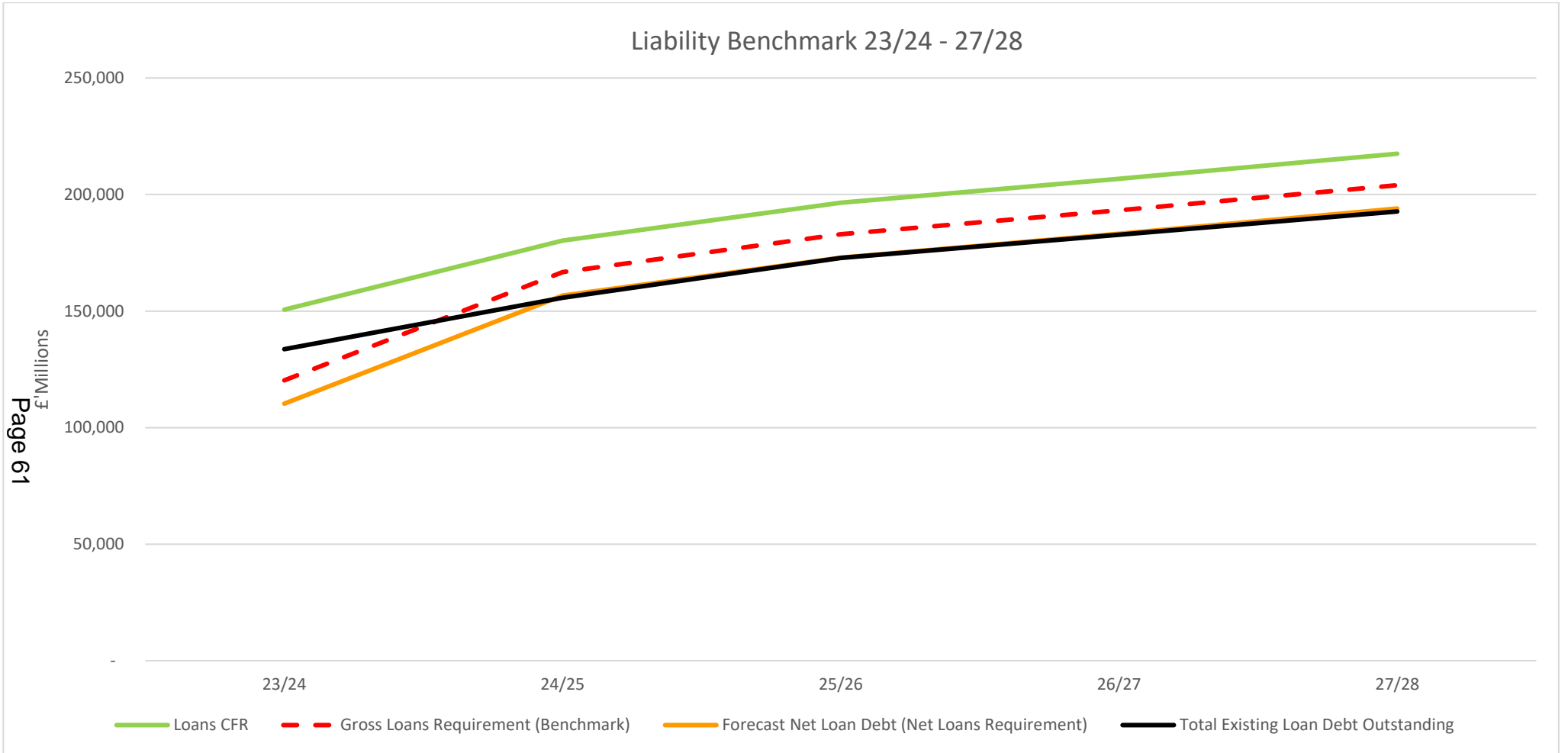
**PRUDENTIAL & TREASURY INDICATORS  
BUDGET SETTING 2024/25**

**APPENDIX 10**

No.	Indicator	2022/23 actual	2023/24 estimate	2024/25 proposal	2025/26 proposal	2026/27 proposal
<b>Affordability</b>						
<b>1,2</b>	Estimates of [or actual] ratio of financing costs to net revenue stream:					
	Council Fund	3.11%	2.31%	3.12%	3.20%	3.15%
	Housing Revenue Account (inclusive of settlement)	7.26%	6.10%	10.38%	13.19%	14.72%
	Total	3.57%	2.73%	3.89%	4.24%	4.35%
<b>Prudence</b>						
<b>3</b>	Gross debt and the Capital Financing Requirement (CFR)	✓	✓	✓	✓	✓
	<i>Is the gross external debt &lt; the CFR for the preceding year plus the estimates of any additional CFR for the current and the next two financial years?</i>			✓	✓	✓
<b>Capital Expenditure</b>		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>4,5</b>	Estimates of [or actual] capital expenditure					
	Council Fund	29,510	32,330	15,565	5,028	4,836
	Housing Revenue Account	11,180	18,192	35,145	29,974	26,291
	Total	<b>40,690</b>	<b>50,522</b>	<b>50,710</b>	<b>35,002</b>	<b>31,127</b>
<b>6,7</b>	Estimates of [or actual] Capital Financing Requirement					
	Council Fund	105,825	112,483	116,485	117,598	118,670
	Housing Revenue Account	38,287	38,105	55,506	70,640	79,851
	Total	<b>144,112</b>	<b>150,588</b>	<b>171,991</b>	<b>188,238</b>	<b>198,521</b>
<b>External Debt</b>		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>8</b>	Authorised Limit					
	: General Borrowing	175,000	175,000	205,664	215,696	225,642
	: Other long term liabilities	5,000	5,000	10,000	10,000	10,000
	: Total	<b>180,000</b>	<b>180,000</b>	<b>215,664</b>	<b>225,696</b>	<b>235,642</b>

9	Operational Boundary					
	: General Borrowing	170,000	170,000	200,664	210,696	220,642
	: Other long term liabilities	5,000	5,000	10,000	10,000	10,000
	: Total	175,000	175,000	210,664	220,696	230,642
10	Actual External Debt	125,348				
<b>Treasury Management</b>		<b>2022/23 actual</b>	<b>2023/24 estimate</b>	<b>2024/25 proposal</b>	<b>2025/26 proposal</b>	<b>2026/27 proposal</b>
11	The limit for total principal sums invested for periods longer than 364 days <i>(any long term investments carried forward from previous years will be included in each year's limit)</i>	15,000	15,000	15,000	15,000	15,000
			<b>2024/25 upper limit</b>		<b>2024/25 lower limit</b>	
12	The upper and lower limits for the maturity structure of fixed rate borrowing					
	• under 12 months			20%		0%
	• 12 months and within 24 months			20%		0%
	• 24 months and within 5 years			50%		0%
	• 5 years and within 10 years			75%		0%
	• 10 years and above			100%		0%
				no change		no change
13	Liability Benchmark (see chart below)					





## Information on Prudential & Treasury Management indicators

### PRUDENTIAL INDICATORS

#### A) Affordability

##### 1 & 2 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.

The estimates of financing costs include current commitments and the proposals in this budget report.

#### B) Prudence

##### 3 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 2024/25 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.

#### C) Capital expenditure

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

This provides a summary of the Council's capital expenditure. It reflects matters previously agreed and those proposed for the forthcoming financial periods.

The extent to which such expenditure is to be financed will influence how the Council's Capital Financing Requirement Indicator will change.

##### 4 & 5 Estimates of Capital Expenditure

This is the forecast Capital Expenditure from 2022/23 to 2025/26, and is based on the Capital Programme for 2022/23 and the Capital Strategy for 2024/25.

##### 6 & 7 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.

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has £nil of such schemes within the CFR.

## CH) External Debt

- 8. 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 Section 151 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.

- 9. 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.
- 10. Actual external debt.** The Council has to disclose the closing balance for actual gross borrowing in respect of the financial period just ended, together with the level of other long-term liabilities and so the actual aggregate level of external debt at the Balance Sheet date.

## TREASURY INDICATORS

- 11. Limits for Long Term Treasury Management Investments.** This Indicator is seeking to support control of liquidity risk. The limits should be set with regard to the Council's liquidity needs and also reduce the potential need to have to make early exit from an investment in order to recover funds. The indicator relates solely to the Council's investments for treasury management purposes.
- 12. Maturity Structure of Borrowing.** The Council is required to set gross limits on maturities for the periods shown and covers both fixed and variable rate borrowings. The reason being to try and control the Council's exposure to large sums falling due for refinancing.
- 13. Liability Benchmark.** The new prudential indicator for 2024/25 is the Liability Benchmark (LB). The Council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years.

There are four components to the LB: -

- 1. Existing loan debt outstanding:** the Council's existing loans that are still outstanding in future years.
- 2. Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.

3. **Net loans requirement:** this will show the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

## Glossary

### **CAPITAL EXPENDITURE**

Capital expenditure is expenditure on the purchase of a non-current asset, which will be used in providing services beyond the current financial year, or expenditure which adds to, and not merely maintains, the value of an existing non-current asset. Examples include: the building of a new school, the purchase of IT equipment, a major refurbishment of a care home.

### **CAPITAL FINANCING**

Funds that are available to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

### **CAPITAL FINANCING REQUIREMENT**

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.

### **CAPITAL PROGRAMME**

The capital schemes the Council intends to carry out over a specific period of time.

### **CAPITAL RECEIPTS**

Capital receipts represent the proceeds from the disposal of land or other non-current assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the government, but they cannot be used to finance revenue expenditure.

### **CIPFA**

This is The Chartered Institute of Public Finance and Accountancy, the lead professional and regulatory body for local Authority accounting.

### **HOUSING REVENUE ACCOUNT (HRA)**

The HRA is a separate account to the Council Fund, and includes the income and expenditure arising from the provision of housing accommodation by the Council.

### **INTEREST RECEIVABLE OR PAYABLE**

The effective interest rate method is used to measure the carrying value of a financial asset or liability measured at cost less accumulated amortisation, and to allocate associated interest income or expense to the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to equal the amount at initial recognition. The effective interest is adjusted to the actual interest payment or receipt through the Movement in Reserves Statement to ensure only actual interest is charged to Council Tax. For financial assets and liabilities carried at cost because the effective rate of interest is the same as the carrying rate of interest, the carrying value is adjusted for accrued interest.

### **MINIMUM REVENUE PROVISION (MRP)**

The minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Council.

### **NET DEBT**

The Net Debt is the Council's borrowings less cash and liquid resources.

**PUBLIC WORKS LOANS BOARD (PWLB)**

A Central Government Agency which provides loans for one year and/or more to authorities at interest rates only slightly higher than those at which the government can borrow itself.

**REVENUE EXPENDITURE FUNDED BY CAPITAL UNDER STATUTE (REFCUS)**

Expenditure which can be properly deferred (i.e. treated as capital in nature), but which does not result in, or remain matched with, a tangible asset. Examples of deferred charges are grants of a capital nature to voluntary organisations.

**REVENUE SUPPORT GRANT**

A grant paid by Central Government to authorities, contributing towards the general cost of their services.

**SUPPORTED BORROWING**

The Council borrows money to fund part of its capital programme. This borrowing is recognised by Central Government in its calculation of formula funding for the Council.

**TEMPORARY BORROWING**

Money borrowed for a period of less than one year.

**UNSUPPORTED BORROWING**

The Council can borrow additional money to the borrowing supported by Government to finance its capital expenditure as long as it is affordable and sustainable. This power is governed by the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code, with which the Council fully complies.

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>COUNTY COUNCIL</b>
<b>Date:</b>	<b>7 MARCH 2024</b>
<b>Subject:</b>	<b>CAPITAL STRATEGY 2024 – 2029</b>
<b>Portfolio Holder(s):</b>	<b>Robin Williams – Deputy Leader and Portfolio Holder – Finance</b>
<b>Head of Service / Director:</b>	<b>Marc Jones Director of Function (Resources) / Section 151 Officer</b>
<b>Report Author:</b>	<b>Marc Jones</b>
Tel:	
E-mail:	<a href="mailto:rmjfi@ynysmon.llyw.cymru">rmjfi@ynysmon.llyw.cymru</a>
<b>Local Members:</b>	<b>Not applicable</b>
<b>A –Recommendation/s and reason/s</b>	
<p>The revised CIPFA Prudential Code (September 2017) introduced the requirement that all authorities must produce a capital strategy. This must set out the long term context in which capital expenditure and investment decisions are made. The requirement is aimed at ensuring that authorities take capital and investment decisions in line with the service objectives, and properly take into account stewardship, value for money, prudence, sustainability and affordability. The capital strategy is linked to a number of other plans and strategies. They include: -</p> <ul style="list-style-type: none"> <li>• The Council Plan;</li> <li>• The Corporate Asset Management Strategy;</li> <li>• The IT Strategy, including the School’s Digitalisation Strategy;</li> <li>• The Net Zero Carbon Reduction Strategy;</li> <li>• The Leisure Improvement Strategy;</li> <li>• The Modernising Learning Communities and Developing Welsh Language Strategy;</li> <li>• The Resources and Recycling Strategic Plan;</li> <li>• The Housing Asset Management Strategic Plan;</li> <li>• The Housing Revenue Account 30 Year Business Plan;</li> <li>• The Treasury Management Strategy.</li> </ul> <p>The full Council is recommended to accept the Capital Strategy for the financial years 2024/25 to 2028/29.</p>	
<b>B – What other options did you consider and why did you reject them and/or opt for this option?</b>	
<p>No other options were considered as the adoption of a capital strategy is a requirement of the CIPFA Prudential Code.</p>	
<b>C – Why is this a decision for the Executive?</b>	
<p>In accordance with the requirements of the Code and the Council's Constitution, the Executive is requested to consider the strategy and recommend its approval to the full Council.</p>	

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

Approval of the strategy will be given by the full Council.

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

The capital strategy will form the basis for the 2024/25 capital budget, which will be approved by the full Council on 7 March 2024.

**Dd – Assessing the potential impact (if relevant):**

1	How does this decision impact on our long term needs as an Island?	The capital strategy summarises the long term capital investment required by the Council to achieve its long term objectives as set out in the Council Plan. The Council Plan is a 5 year plan which sets out the Council's strategic objectives which are designed to address the long term needs of the Island.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	The capital strategy sets out the Council's future capital investment requirement. Capital investment is designed to ensure ongoing service delivery which can avoid significant future costs.
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom	Delivery of the capital investment programme requires working collaboratively with UK and Welsh Government, other local authorities in North Wales, other grant funding bodies and delivery partners.
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	Citizens were consulted prior to drafting the final Council Plan. The Capital Strategy will help to deliver the Council Plan.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	Capital investment will help a number of protected groups, through investment in buildings, providing disabled facilities grants, investing in leisure facilities etc.
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	Capital investment will inject a significant amount of money into the local economy and help to provide local employment. The investment in housing will provide additional affordable homes for local people.



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.	Capital investment will be made into local communities by investing in schools, smallholdings, commercial premises etc. The investment will help to maintain local communities, which will have a beneficial effect on the Welsh language.
<b>E - Who did you consult?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Leadership Team (LT)</b> (mandatory)	Comments from the LT have been incorporated into the report.
2	<b>Finance / Section 151</b> (mandatory)	n/a – the strategy was drafted by the Section 151 Officer.
3	<b>Legal / Monitoring Officer</b> (mandatory)	The Monitoring Officer is a Member of the LT and any comments made have been taken into account in discussions on this report in the LT.
4	<b>Human Resources (HR)</b>	No direct impact on staff.
5	<b>Property</b>	The Capital Strategy takes into account the Council's Asset Management Plan.
6	<b>Information Communication Technology (ICT)</b>	The Capital Strategy takes into account the Council's Digital and IT strategy.
7	<b>Scrutiny</b>	TBC
8	<b>Local Members</b>	Proposals are applicable to all Members.
9	<b>Any external bodies / other/s</b>	N/A
<b>F - Appendices:</b>		
Appendix 1 – Capital Strategy 2024 – 2029		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
Council Plan 2023 – 2028 Treasury Management Strategy 2023/24 – will be updated in March 2024 Medium Term Financial Plan – Executive, 26 September 2023 Revenue Budget 2024/25 – Initial Proposals – Executive, 23 January 2024		

# Ynys Môn

THE ISLE OF

# Anglesey

## Capital Strategy

### 2024-2029



## Foreword by the Council Leader and Chief Executive

Capital investment is essential for Anglesey from a social, economic, environmental and community perspective but, in the current financial climate, it is important that long term investment decisions are based on clear informed information, address the long term risks faced by the Council and are affordable in the long term.

The Capital Strategy sets out the long term investment requirements arising from the Council Plan and other linked strategies, assesses the affordability of those plans and identifies the capital resources required to deliver those plans.

Page 71

The Capital Strategy is a key document to ensure that capital investment decisions are taken in a planned way that allows the Council to achieve its key objectives whilst ensuring that the long term viability of the Council is not put at risk.



Councillor Llinos Medi,  
Council Leader



Dylan J. Williams,  
Chief Executive

# Why Do We Need a Capital Strategy?

- CIPFA Prudential Code sets out a requirement that all local authorities must produce a capital strategy.
- Ideally, the Strategy should cover 10 to 15 years, but the current funding uncertainty does not allow for the development of such a long term plan.
- Ensures authorities take capital and investment decisions that properly take account of:-
  - Stewardship;
  - Value for Money;
  - Prudence;
  - Sustainability;
  - Affordability.
- Contributes to compliance with the Well Being of Future Generations (Wales) Act 2015.

# Purpose of the Capital Strategy?

- It is crucial when long-term investment decisions are undertaken, that decision-makers can rely on clear and informed information. This includes:-
  - A long term view of capital expenditure plans and any financial risks to which the Council is exposed;
  - Ensuring due regard to the long-term financing affordability implications and potential risks;
  - A clear overview of the Council's asset management planning arrangements and any maintenance requirements that have resources and business planning implications.
- The Capital Strategy looks at what new assets or improvements to assets, such as Council buildings, schools, houses, social care facilities and leisure facilities are needed to help the Council deliver its strategic objectives along with its many statutory obligations.
- Through this plan, we intend to ensure appropriate levels of capital expenditure and investment to meet these priorities and objectives, whilst ensuring that our plans are affordable, prudent and sustainable.

# Capital Expenditure 2019/20 – 2023/24

	2019/20 £'m	2020/21 £'m	2021/22 £'m	2022/23 £'m	2023/24 (Forecast) £'m
Maintaining Existing Assets	5.419	6.934	6.865	9.139	8.173
Sustainable Communities for Learning	0.316	0.951	4.507	6.317	7.080
Improvements to Leisure Facilities	0.119	0.123	0.211	0.336	0.718
Waste Management	0.180	3.213	2.270	0.213	0.110
Achieving Net Zero	0.000	0.052	1.742	1.372	2.947
Flood Defence Programme	3.140	1.481	1.194	2.491	1.092
EU Grant Funded Projects	2.224	2.563	1.361	4.511	3.270
UK / Welsh Government Grant Funded Projects	3.490	3.419	3.590	2.119	8.825
Schools IT Infrastructure / Equipment	1.088	0.596	0.603	0.341	0.113
Investment Properties	0.115	0.091	0.253	0.242	0.000
Other Grant Funded Projects	2.114	1.084	1.140	2.429	0.000
Housing Revenue Account	11.812	12.623	9.723	11.180	20.529
<b>TOTAL EXPENDITURE</b>	<b>30.013</b>	<b>33.129</b>	<b>33.457</b>	<b>40.690</b>	<b>52.857</b>

# Council Plan 2023-2028

The Council Plan is the key document serving as a focal point for decision-making at all levels; providing a framework to plan and drive forward priorities; shape annual spending; monitor performance and progress.

At its core, is our desire to work with Anglesey residents, communities and partners to ensure the best possible services, improve the quality of life for all and create opportunities for future generations.

Its six main objectives reflect the key areas the Council should be focusing its efforts on.

The Council Plan's vision is to:-

Pages 7-5  
Create an Anglesey that is healthy and prosperous where people can thrive.'



 [Council Plan 2023-2028](#)

## Our six strategic objectives




**The Welsh Language**

Increasing opportunities to learn and use the language.



**Social Care and Wellbeing**

Providing the right support at the right time.



**Education**

Ensuring an effective provision for today and for future generations.



**Housing**

Ensuring that everyone has the right to call somewhere home.



**Economy**

Promoting opportunities to develop the Island's economy.



**Climate Change**

Responding to the crisis, tackling change and working towards becoming a net zero organisation by 2030.

# Council Plan 2023-2028

The Council Plan 2023-28 is underpinned by the organisation's core values, which are used to develop and guide the vision, strategic plans and services.

## Values



### Respect

We are respectful and considerate towards others regardless of our differences.



### Honesty

We are committed to high standards of conduct and integrity.



### Collaborate

We work best as a team, with our communities and partners to deliver the best outcomes for the people of Anglesey.



### Champion the council and the island

We create a sense of pride in working for the council and present a positive image of the council on the council and the island.

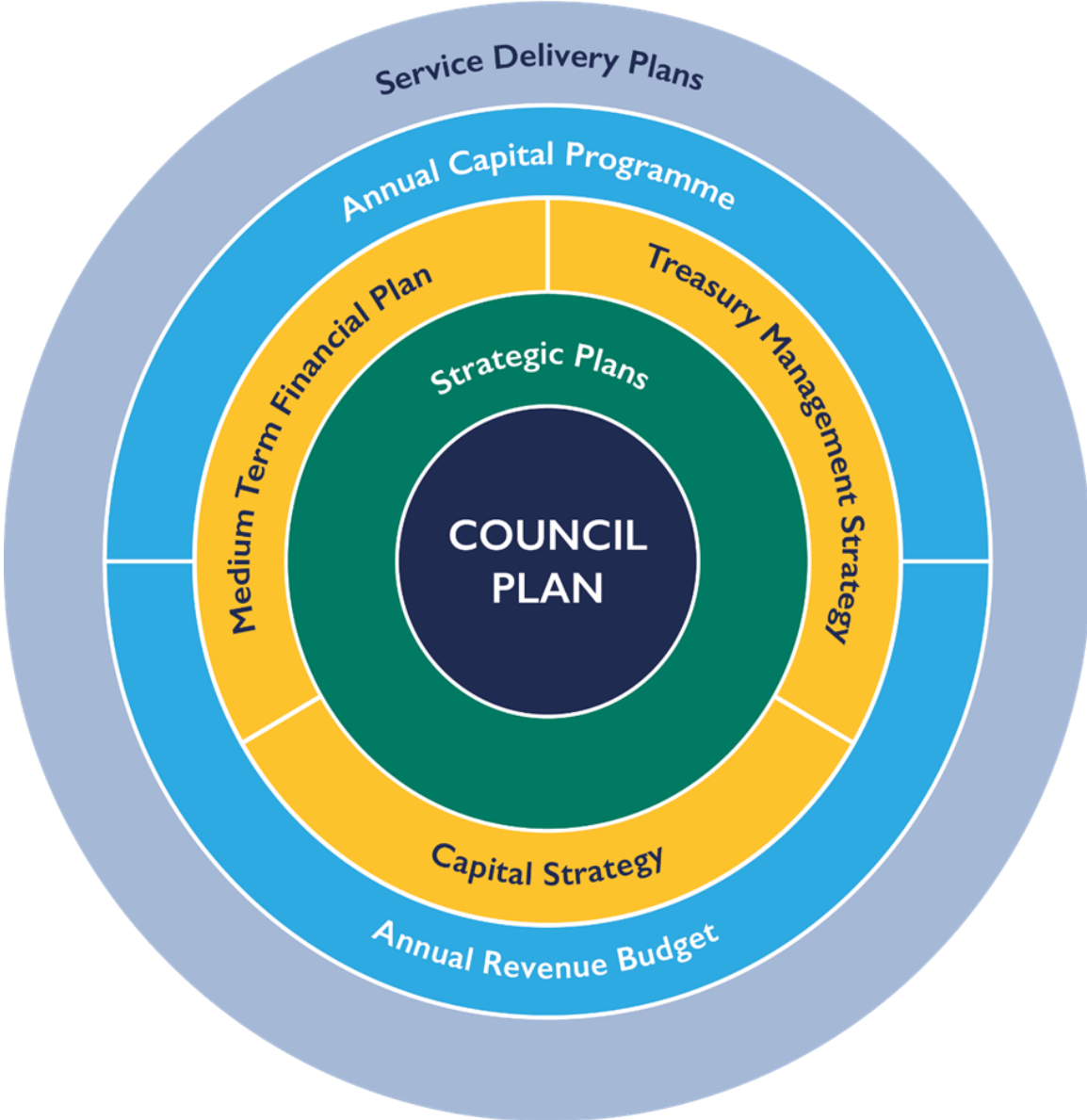




# Strategic Circle

The strategic circle identifies the plans in place to ensure we are able to achieve our priorities and objectives.

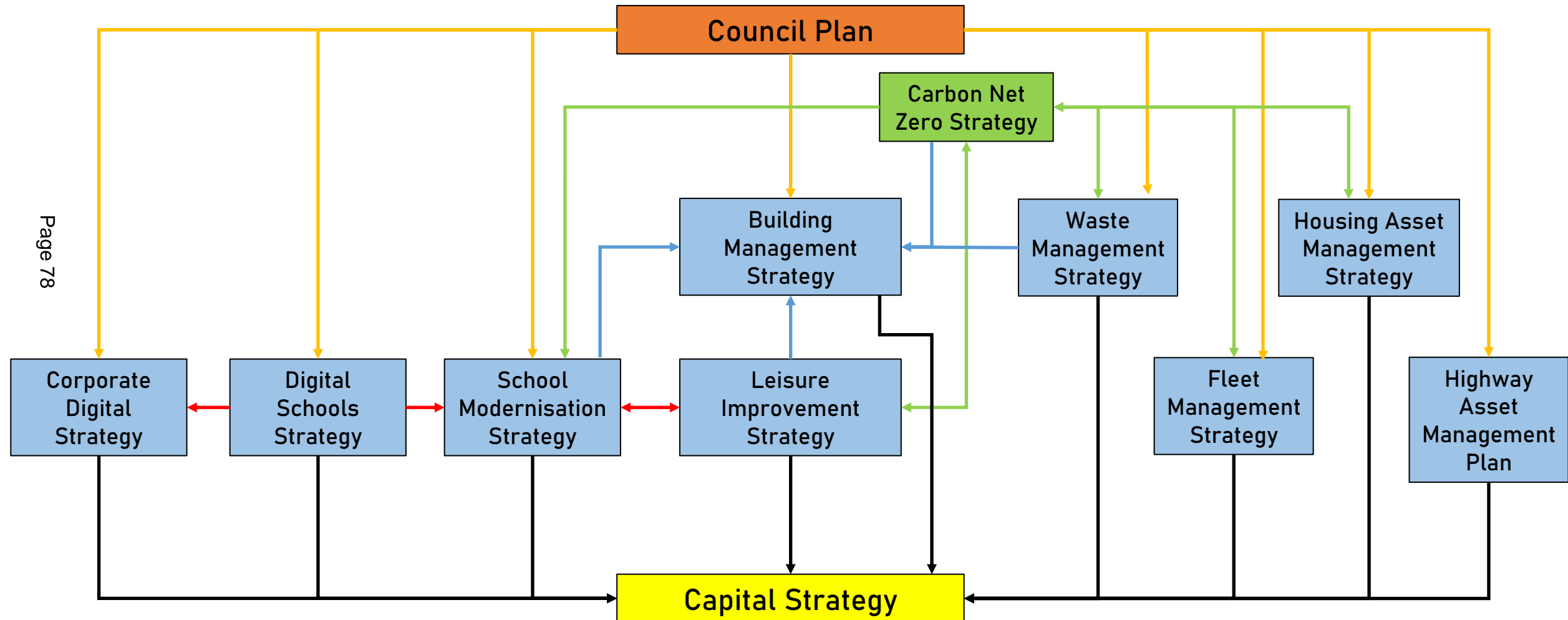
This plan is a key strategic plan that aligns with the Council's Plan and contributes to the achievement of the strategic objectives and vision.



[Council Plan 2023-2028](#)

# Relationship between the Council's Plans and Strategies

Page 78



- **The Council Plan and key Operational Plans**

- The key strategies and plans below are important and inter-related to help identify an affordable level of revenue and capital resources needed to deliver the key priorities of the Council Plan and key operational plans. These also provide a framework for robust financial management of Council resources.

### The Medium Term Financial Plan (MTFP)

This is revised regularly to help set out the likely resource requirement for the next three years and how the Council plans to balance the resource requirement. This includes the impact of revenue and capital issues on the Council Fund.

### Capital Strategy

The Capital Strategy sets out the key priorities on how capital expenditure should be spent to help deliver the Council Plan 2023/28. It acknowledges that capital expenditure leads to revenue capital financing costs which must be kept affordable. The Capital Strategy impacts on, and is impacted by, the MTFP, the TMSS, the Annual Revenue Budget and the Annual Capital Programme.

### Treasury Management Strategy (TMS)

This sets out the Annual Investment Strategy, Minimum Revenue Provisions Policy and Treasury Management Policy Statement for the year. These provide the framework and controls needed to ensure that there is enough cash to pay suppliers for revenue and capital costs, that surplus cash is invested safely and is accessible and that borrowing to fund capital expenditure does not go beyond an affordable level.

**The Annual Revenue Budget** is supported by the MTFP, Capital Strategy and TMS - Each year, the revenue capital financing costs are reviewed and revised as part of revenue budget setting. Revenue contributions are sometimes used to fund capital costs.

**The Annual Capital Programme** - The level of capital expenditure and borrowing impacts on the revenue budget due to capital financing costs and any ongoing revenue costs, such as maintenance.

# Key priority areas

Delivering the strategic priority, together with key priority areas, sets a clear and ambitious mandate.

We want to ensure that we:-

- Page 80
- Secure sufficient funding to invest in the capital investment priorities;
  - Capital assets are maintained and continue to allow services to be provided;
  - The Council's strategy is sufficiently flexible to meet emerging needs and takes advantage of funding opportunities as they arise.



# Principles and Objectives to Support Achievement of the Key Priorities

- Capital projects must relate to assets which help the Council achieve its key objectives, outlined in the Council Plan, and key operational strategies and statutory responsibilities.
- Each year when reviewing this strategy and developing the annual Capital Programme, the Council must take into account stewardship, value for money, prudence, sustainability and affordability.
- Sustainable Communities for Learning Programme will be prioritised within the Capital Programme.
- Capital Receipts from the Sale of Surplus Schools will be used as funding for the Sustainable Communities for Learning Programme (as set out in the Final Business Case) or as general capital funding.
- Receipts from the sale of Council smallholdings may be re-invested in the estate, if other spending priorities allow.
- An annual sum will be allocated to maintain or replace the Council's existing assets – Council Buildings, I.T. Equipment, Vehicles, Road Network.
- The Council will aim to utilise capital funding to transform and modernise service provision.
- Any new project that requires match funding to draw down grant funding will be assessed on a case by case basis by the Director of Function (Resources) / Section 151 Officer. The assessment will consider the level of grant funding, does the project fit into the Council's corporate priorities, the implications for the revenue budget and the ratio of match funding to grant funding.
- Capital projects must have regard to the net zero carbon targets and must use clean alternatives where, traditionally, carbon generating equipment / facilities / assets have been used.
- The Council will continue to work with its strategic partners and is committed to working as part of the North Wales Economic Ambition Board to deliver capital projects across North Wales.
- Unsupported Borrowing will be considered if the annual capital financing requirements are affordable and maintain an acceptable ratio of capital financing costs to net revenue expenditure.
- The timing of external borrowing will take place in line with the Council's Treasury Management Strategy in order to maintain sufficient cash balances but to minimise capital financing charges.

# Capital Programme Funding Sources

Type of Funding	Source	Restrictions on Use	Revenue Implications	Comments
General Capital Grant	Welsh Government	None	None	
Supported Borrowing	PWLB	None	MRP (based on asset life) & Interest (fixed for period of loan)	Revenue costs funded by Welsh Government through the settlement.
Unsupported Borrowing	PWLB	Must meet the requirements of the Prudential Code	MRP (based on asset life) & Interest (fixed for period of loan)	As full cost falls on the Council, any project funded through unsupported borrowing normally has to create additional income or revenue savings to meet the MRP and interest charges.
Communities for Learning (Grants & Borrowing)	Welsh Government & PWLB	As per approved business case	MRP (based on asset life) & Interest (fixed for period of loan)	WG fund 65% (67% through supported borrowing and 33% grant). Council funds 35% through unsupported borrowing and capital receipts.
Communities for Learning (Mutual Investment Model)	Welsh Government	As per approved business case	Annual revenue charge paid to MIM Company for 25 years	92% of revenue cost funded by Welsh Government, remaining 8% falls as revenue cost on the Council.
Specific Grant Funding	Welsh Government, UK Government, Other Funders	As per grant conditions	None	Grant funding may require to fund a level of match funding.
Capital Receipts	Sale of Council Assets	None	None	Capital Receipts must be used to fund capital expenditure or repay existing loans.
Council Reserves	Council	None	None	
Contributions from revenue budget	Council	None	None	
HRA Reserves	Council	HRA Capital expenditure only	None	

## Current Council Assets

Type of Asset	Number	Type of Asset	Number	Type of Asset	Number
Primary Schools	39	Youth Clubs	1	Carriageway	1,188 km
Secondary Schools	5	Business Units	68	Footway	661 km
Canolfan Addysg y Bont	1	Retail Sites	20	Cycleways	211 km
Offices	2	Community Centres	8	Structures	539
Museums and Archives	2	Other Educational Establishments	3	Lighting	20,014 lights
Libraries	7	Sundry Property	8	Drainage	28,064
Residential Care Homes	5	Ports and Piers	7	Non Illuminated Signs	7,629
Children's Care Homes (Cartrefi Clyd)	3	Moorings	468	Other Highway Assets	9,239
Day Care Centres	4	Housing Stock	3,979 units		
Leisure Centres	4	Occupied Land	Various		
Public Conveniences	22	Parks & Open Spaces	47		
Smallholdings	75	Vehicles	200		

## Maintaining Existing Assets

- Ensuring Schools meet future educational requirements - £230m
- Backlog maintenance – Council Offices - £0.5m
- Backlog maintenance – Leisure Centres - £7m
- Backlog maintenance – Social Care Buildings - £2.4m
- Backlog maintenance – Business Units - £0.3m
- Backlog maintenance – Smallholdings - £0.5m
- Backlog maintenance – Libraries, Archives & Museums - £0.3m
- Backlog maintenance – Public Conveniences - £0.1m
- Annual Road Maintenance Requirement - £2m - £2.5m to maintain existing road condition
- I.T. Equipment – Replace existing hardware every 3 to 10 years
- Vehicles – Replace existing vehicles every 5 – 7 years – need to move to carbon neutral fuel source
- Disabled Facilities Grant – Budget requirement of £750k per annum



# Maintaining existing assets

## Why is this important?

- Maintaining existing assets to a condition that allows them to be operational is key to ensure that services can continue to be delivered.
- To invest / upgrade and replace existing assets and to begin to clear backlog maintenance would require capital expenditure in excess of £10m per annum. This is a level that is beyond the current level of funding and investment will need to be prioritised.
- Investment in IT assets allows the Council to maintain its IT hardware, which supports front line service delivery.



## What are we going to do?

- Each year, capital funding will be allocated to ensure an investment in existing assets to protect them into the future.
- Capital funding will be prioritised on assets required to help the Council deliver its statutory responsibilities.
- An annual sum will be allocated to maintain or replace the Council's existing assets – Council Buildings, I.T. Equipment, Vehicles.
- The current strategy is to use the General Capital Grant and Supported Borrowing.
- Funding the remainder would require a significant level of unsupported borrowing, which in turn would generate an MRP and interest charge in the region of £750k per annum.
- In the longer term, the number of retained assets will be assessed in terms of future service needs.

## How are we going to do this?

- Aim to fund at the following level:-
  - Education Buildings - £1.0m
  - Other Council Buildings - £0.6m
  - Highway Maintenance - £2.0m
  - Vehicles - £0.3m
  - IT Equipment - £0.3m
  - Disabled Facilities Grants - £0.75m
- These funding levels are dependent on the funding available and other funding priorities, but set out the minimum requirement.
- This totals £4.95m, with the additional budget being funded from unsupported borrowing, capital receipts and contributions from revenue budgets.
- The Council will maximise external capital funding wherever possible and affordable.

# Sustainable Communities for Learning

## Why is this important?

- This is a substantial programme which will result in Sustainable Communities for Learning capital school improvements or new builds into the long term.
- The Council remains committed to the Programme and will continue to fully utilise Sustainable Communities for Learning external funding.

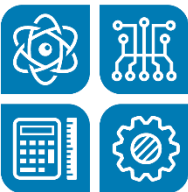


## What are we going to do?

- The Council is currently drawing up the Sustainable Communities for Learning strategic outline programme, which sets out the Council's investment priorities over the next 9 years.
- The plan will concentrate on the improvement / replacement of the Council's 5 secondary schools.
- Funding will continue to come in the form of a mixture of Welsh Government grants and supported borrowing (65% of the cost) and unsupported borrowing and capital receipts (35% of the cost).

## How are we going to do this?

- Capital Receipts from the Sale of Surplus Schools will be used as funding for the Sustainable Communities for Learning Programme.
- The replacement of a secondary school would be in the region of £70m, and this is likely to utilise the majority of the Welsh Government funding available.
- The Council will continue to explore the potential of using the Welsh Government's Mutual Investment Model (MIM) to fund the cost of replacing one school building.
- Any new scheme is unlikely to commence until 2026/27.



# Improvements to Leisure Facilities

## Why is this important?

- Leisure Centres provide an important service to Anglesey residents which contributes to their health and wellbeing.
- 3 of the Council's 4 Leisure Centres are approximately 50 years old and require significant investment to maintain the building and to upgrade the facilities.
- The estimated cost would be in the region of £40m to £50m, which the Council cannot fund in isolation.



## What are we going to do?

- The Council will continue to maintain the buildings so that they can continue to operate over the short to medium term, with the objective of continuing to operate the 4 centres.
- The Council will assess the long term future of the 4 centres, linking the decision to the needs of communities, the Sustainable Communities for Learning programme and the funding available.

## How are we going to do this?

- The long term strategy will be to work to obtain grant funding to undertake refurbishment or the rebuilding of the Centres.
- The Council has around £1.5m of earmarked reserves (generated from a VAT refund and the sale of the Llangefni Golf Course) to utilise to maintain and upgrade Plas Arthur Leisure Centre and to use as match funding for external grant funding, should any opportunities arise.



# Waste Management

## Why is this important?

- The Council must maintain safe 'business as usual' services and comply with future changes in legislation / meet targets e.g. the 70% of household waste recycling target.
- The estimated cost of the capital investment over the next 5 years is £8.8m, which is made up of:-
  - Business as usual asset renewal - £2.9m;
  - Recycling / waste collection service changes to meet targets - £1.1m (with further investment required in a new fleet after 8 years of the existing contract);
  - Infrastructure changes to support service changes to meet statutory targets - £2.0m;
  - Decarbonisation of fleet and plant equipment - £2.8m.

Page 88

## What are we going to do?

- The Council's newly adopted Resources & Recycling Strategic Plan sets out four key priorities to ensure 'business as usual' services are maintained and improved to meet future legal requirements / targets. The Council is working with several stakeholders to improve recycling rates to meet statutory targets, but this will require investment in the existing recycling centres, plant, machinery and vehicles.

## How are we going to do this?

- The Council has no funding identified for this investment and it would have to be delivered through unsupported borrowing and any grant funding that can be secured.



# Achieving Net Zero

## Why is this important?

- The Welsh Government has set a target for the Council to achieve net zero by 2030.
- Capital projects must have regard to the net zero carbon targets.

Page 89



## What are we going to do?

- Achieving the target of net zero will require considerable investment in:-
  - Council Buildings - to reduce energy consumption and to change to carbon neutral energy sources;
  - Vehicles - to transfer away from petrol and diesel vehicles;
  - Council Houses - to convert all properties to be carbon neutral wherever possible / viable;
  - Sustainable travel;
  - Developing electronic vehicle charging infrastructure;
  - Improving biodiversity on Council land;
  - Ensuring that all new buildings are designed to be carbon neutral.

## How are we going to do this?

- The capital investment required will be significant, and the Council has no core funding to deliver this objective.
- The strategy will be to develop projects and to bid for grant funding which can deliver projects as and when grant funding is received.
- The Housing Revenue Account will provide funding to move towards making the Council housing stock carbon neutral.



# Flood defence programme

## Why is this important?

- The Council has identified a number of areas where flood defences need to be improved.

## What are we going to do?

- Welsh Government currently fund 85% of the capital cost of flood defence work by means of grant. The remaining 15% is provided by the Council.
- The Council estimates that around £2m per annum is required to be invested in flood defence work over the next 5 years. This requires the Council to provide match funding of £300k per annum.
- Given the significant grant funding that can be drawn down through the allocation of match funding, the strategy will continue to prioritise the allocation of match funding in the capital programme.

## How are we going to do this?

- Prioritise the allocation of match funding in order to maximise the grant drawn down from Welsh Government.
- Prioritise expenditure on the schemes that safeguard the greatest number of properties per pound of expenditure.

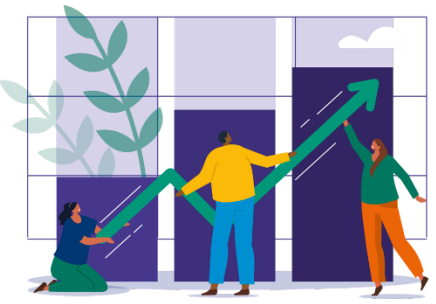


# UK Government Grant Funding

## Why is this important?

- To ensure that Anglesey continues to benefit from grant funding available from the UK and Welsh Government that has replaced EU grant funding.
- To ensure that investment continues to be made in projects that benefit the residents and communities on Anglesey.

Page 91



## What are we going to do?

- The UK Government has replaced previous EU grant funding with additional regional and local grant funding – currently Levelling Up Fund, Shared Prosperity Fund and the North Wales Growth Bid.
- The Council will continue to work with regional and local partners to bid for funding to undertake projects which improves local infrastructure and the local economy.

## How are we going to do this?

- The use of the Council’s own reserves as match funding will be assessed on a case by case basis, taking into account the importance of the project for Anglesey and North Wales, the potential benefits arising from completion of the project and the balance of match funding to grant funding.
- Apart from the existing commitments, no new match funding commitments have been made for the period 2024 to 2028.



# Schools IT infrastructure and Equipment

## Why is this important?

- The way that schools deliver education has changed with IT playing a greater role in delivering education and in managing schools.
- Investment in IT infrastructure and equipment for pupils is vital to ensure that schools continue to improve and modernise how education is delivered.

Page 92

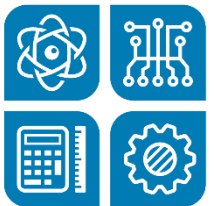


## What are we going to do?

- The Council has drawn down funding from Welsh Government through the HWB Grant scheme. This has allowed for the upgrading of IT infrastructure within schools and purchased devices for individual pupils.
- The condition of the HWB grant requires that the Council commits to replacing the equipment purchased by the grant when it reaches its useful life. This will require around £1.3m of expenditure in 2027/28, with significant further investment required in future years.
- The Council has earmarked reserves of £0.46m to fund some of the cost, and intended to make an annual contribution from the revenue budget each year to increase this reserve. However, the current financial restraints has meant that the contribution was stopped in 2023/24.

## How are we going to do this?

- To develop a working service level agreement between stakeholders to fund required investment in future years.
- To look at alternative options for funding the required investment.





# Investment properties

## Why is this important?

- The Council retains a number of properties which are let on a commercial basis and generate an annual income for the Council. These include industrial units, office accommodation, retail units and smallholdings.

Page 93

These properties provide valuable accommodation to support local businesses and allow continued investment in the local economy.



## What are we going to do?

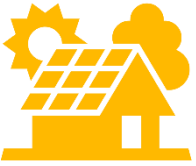
- The Council has followed a strategy of developing new units through grant funding, mainly from the European Union and Welsh Government. Examples of recent developments include new units at Penrhos, Holyhead, and units on the Bryn Cefni Industrial Estate.
- During 2010 to 2015, a number of smallholding properties were disposed of, and land merged to create larger more viable units. The capital receipts from the sale of properties was reinvested in upgrading the remaining properties. However, this source of funding is no longer available.

## How are we going to do this?

- The Council's Asset Management Plan sets out the plan for individual asset types and estates and this will feed through to the capital budget.
- Any investment in these properties would have to be funded from the Council's core capital funding, any grant funding that becomes available or unsupported borrowing.



# Social and Affordable Housing



## Why is this important?

- The Council currently provides housing to around 4,000 tenants, which provides affordable accommodation to the most vulnerable residents of Anglesey.
- The need for low cost, quality affordable rental accommodation on Anglesey continues to rise. The Council needs to continue to invest in its existing stock and to increase its stock numbers to continue to meet the increasing demand.

Page 94

## What are we going to do?

- Continue to develop or repurchase 45 units a year and also invest in extra care provision, with a 40 bed unit planned to be opened in 2026/27.
- The Council also continues to invest in its existing stock to ensure that properties continue to maintain the WHQS standard, and that work on any properties not yet upgraded is undertaken when the property becomes available.

## How are we going to do this?

- Utilise the financial assets of the Housing Revenue Account to fund the required investment.
- The Housing Revenue Account is a ring fenced account. The funding of capital expenditure is made through the annual surplus achieved on the revenue account, the Major Repair Allowance grant received from Welsh Government, existing HRA reserve balances and through unsupported borrowing.
- Any new development will only be undertaken if it passes 3 main financial tests. This ensures that any borrowing is affordable and can be funded from future rental income.
- The HRA 30 Year Business Plan estimates that £54m will be invested in the existing stock and £75m will be invested in the development of new properties over the next 5 years.
- The Business Plan has set a cap on borrowing of 6.5 times the rental income.



# Capital Expenditure Summary 2024/25 to 2028/29

	Minimum £'m	Possible £'m	Maximum £'m
Maintenance of Existing Assets	21.88	30.98	48.77
Sustainable Communities for Learning	3.03	49.73	61.22
Improvements to Leisure Facilities	1.50	7.50	40.50
Waste Management	0.00	5.88	8.80
Achieving Net Zero	0.00	7.50	7.50
Flood Defence Programme	0.00	5.00	10.00
Schools IT Infrastructure / Equipment	0.46	1.55	1.55
Investment Properties	0.00	1.00	4.00
Levelling Up	7.81	7.81	7.81
Housing Revenue Account	64.13	129.50	129.50
<b>TOTAL EXPENDITURE</b>	<b>98.81</b>	<b>246.45</b>	<b>319.65</b>

Page 95

- The minimum sum utilises the known secured funding. The maximum sum is the investment required to achieve all of the Council's objectives and bring all existing assets to an acceptable condition.
- The possible sum utilises a level of unsupported borrowing which may be affordable if, and when, the Council's revenue budget position improves.
- Grant funding, when secured, may also allow the Council to replace borrowing with grants and allow the Council's position to move from the Minimum to the Possible at a lower revenue cost, or allow the Council to move from the Possible to the Maximum position.
- Other grant funding may also be secured to undertake other projects and these will be added to the capital budget as and when the funding is secured and have, therefore, been omitted from this table.

# Funding Capital Expenditure Summary 2024/25 to 2028/29

	Minimum £'m	Possible £'m	Maximum £'m
Supported Borrowing	10.79	10.79	10.79
General Capital Grant	11.09	11.09	11.09
Sustainable Communities for Learning – Supported Borrowing	0.00	5.58	15.74
Sustainable Communities for Learning – Unsupported Borrowing	2.85	7.33	10.45
Sustainable Communities for Learning – Welsh Government Grant	0.00	2.75	6.97
Mutual Investment Model Funding (MIM)	0.00	27.90	27.90
Other Welsh Government Grants	0.00	9.50	13.75
Capital Receipts	0.18	2.44	2.44
Earmarked Reserves	1.96	2.66	2.66
Levelling Up Funding	7.81	7.81	7.81
HRA Major Repairs Allowance	13.45	13.45	13.45
Other HRA Grants	8.69	8.69	8.69
HRA Reserves and Annual Surplus	41.99	41.99	41.99
Unsupported Borrowing – General Fund	0.00	29.11	80.56
Unsupported Borrowing - HRA	0.00	65.36	65.36
<b>TOTAL FUNDING</b>	<b>98.81</b>	<b>246.45</b>	<b>319.65</b>

## Impact of Capital Expenditure on Capital Financing Requirement and External Borrowing

	Minimum		Possible		Maximum	
	CFR £'m	Borrowing £'m	CFR £'m	Borrowing £'m	CFR £'m	Borrowing £'m
2024/25	168.846	144.338	192.739	168.556	192.930	168.653
2025/26	169.728	145.859	213.849	190.934	226.245	203.099
2026/27	170.532	146.041	229.615	206.978	261.488	238.524
2027/28	171.252	145.438	253.443	230.945	302.795	279.706
2028/29	171.885	146.734	271.596	251.575	328.996	308.085

- The impact of the above on the Council's authorised limit and operational boundary are set out in the Council's Treasury Management Strategy.

## Revenue Implications of Capital Expenditure – General Fund

	Estimated Net Revenue Expenditure £'m	Minimum		Possible		Maximum	
		MRP & Interest £'m	MRP & Interest to NRE %	MRP & Interest £'m	MRP & Interest to NRE %	MRP & Interest £'m	MRP & Interest to NRE %
2024/25	184.219	5.921	3.21	6.462	3.51	6.542	3.55
2025/26	189.746	6.068	3.20	6.979	3.68	7.437	3.92
2026/27	195.438	6.164	3.15	7.433	3.80	8.576	4.39
2027/28	201.301	6.212	3.09	8.289	4.12	9.869	4.90
2028/29	207.340	6.308	3.04	8.792	4.24	10.536	5.08

- The net revenue expenditure is assumed to increase by 3% per annum from 2025/26.
- MRP is calculated on the basis of the Council’s current MRP Policy – see Treasury Management Strategy.
- The additional MRP and Interest costs would not be funded through the AEF and would require an increase in Council Tax to fund.
- Given that the Council has adopted the annuity method to calculate the MRP charge, the MRP charge increases annually, which places a greater pressure on Council Tax to fund the additional annual revenue costs.

## Prioritising Capital Expenditure and Setting Annual Capital Budgets

- Annual budgets will be set to maintain existing assets and the budget will be dependent on the funding available through the General Capital Grant and Supported Borrowing.
- Services are invited to submit bids for funding for one off projects. Bids will be assessed in terms of :-
  - How they contribute to the objectives of the Council Plan;
  - Do they contribute to mitigating any of the Council's corporate risks;
  - The impact of the project on future capital investment;
  - The impact of the project on future revenue costs i.e. will it increase or decrease revenue costs;
  - Whether the project is partly funded by grant funding and what the level of grant funding will be.
- The Capital budget for the Communities for Learning programme and the Housing Revenue Account are drawn up outside of this process.

# Monitoring and Managing Capital Expenditure and Borrowing

Capital Expenditure and the related borrowing is monitored and managed by the Council, as follows:-

- Treasury Management Strategy and Prudential Borrowing Indicators – Scrutinised by the Governance & Audit Committee, proposed by the Executive and approved by the full Council;
- Half yearly and annual treasury management reports to Governance & Audit Committee, Executive and full Council;
- Quarterly Capital Expenditure Monitoring reports to the Executive and the Finance Scrutiny Panel.
- Annual Capital Budget proposed by the Executive, and approved by the full Council.

Responsibility for the Treasury Management function within the Council rests with the Director of Function (Resources) / Section 151 Officer, supported by qualified and experienced finance professionals, including the Accountancy Manager, Finance Manager and Capital Accountant.

The Council also employ Link Asset Services to provide specialist treasury management advice.

Elected Members and Lay Members of the Governance & Audit Committee receive regular treasury management training that allows them to undertake their duties.



# Treasury Management Investment Strategy

The Council's Investment Strategy is set out in its Annual Treasury Management Strategy, but is summarised as follows:-

- Surplus cash is invested with financial institutions which hold the highest level of credit rating as set out in the Treasury Management Strategy.
- Investments are made applying the principles of security, liquidity and yield in that order. Investments are not made simply to maximise the investment return. Investments are reported on a quarterly basis through the Treasury Management update reports.
- Cash investments will not be funded through additional borrowing.
- The Council will hold minimum cash balances equivalent to the agreed level of general balances, which is currently 5% of the Council's net revenue expenditure budget, £9.5m for 2024/25.
- The Council owns a number of non-treasury management investments in the form of investment properties (retail properties, office and commercial units) which generate an annual rental income, although the income generated is not significant in terms of the Council's overall annual income. There is no intention to dispose of these properties in the foreseeable future.
- The Council will take advantage of any grant funding that may become available to develop more investment properties, but will not undertake any significant additional borrowing to achieve the development of additional units.

# Risks in delivering the Capital Strategy and Capital Budget



## Summary Conclusions

- The Council's capital requirement to modernise and upgrade existing assets and to deliver on its corporate priorities is in excess of £300m over the next 5 years, and the Council's ability to deliver is restricted by lack of central government unhypothecated funding.
- The Council's ability to undertake unsupported borrowing, in accordance with the requirements of the Prudential Code, is limited on the grounds of affordability, as it would place an unacceptable cost on future taxpayers.
- The minimum funding available through supported borrowing and the general capital grant is insufficient to fund the minimum required to maintain the Council's existing assets to a level that allows the safe and effective operation of those assets.
- To achieve its corporate objectives, the Council must secure additional grant funding, but this may not be sufficient to allow the Council to move towards achieving its objectives.
- To move from the minimum position, the Council must consider undertaking a limited amount of unsupported borrowing, but this must be at an affordable level, taking into account the current financial challenges the Council is facing.
- External factors, such as new or changing legislation, new performance levels or the need to avoid service failure, may accelerate the need to move from the minimum position sooner than is considered desirable or affordable.
- Additional capital investment can be avoided through asset rationalisation and extending the life of existing assets.
- Priority will be given to fund the projects which best achieve the Council's main priorities e.g. the sustainable communities for learning programme.
- Match funding will be provided where the project is mainly funded by external grants and where the project is in line with the Council's corporate objectives.
- The HRA projects will continue to be assessed separately from the Council Fund projects.

This page is intentionally left blank

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>REPORT TO:</b>	<b>EXECUTIVE COMMITTEE</b>
<b>DATE:</b>	<b>29 FEBRUARY 2024</b>
<b>SUBJECT:</b>	<b>MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2024/25</b>
<b>PORTFOLIO HOLDER(S):</b>	<b>COUNCILLOR R WILLIAMS – DEPUTY LEADER &amp; PORTFOLIO HOLDER – FINANCE</b>
<b>HEAD OF SERVICE:</b>	<b>MARC JONES – DIRECTOR OF FUNCTION (RESOURCES / SECTION 151 OFFICER</b>
<b>REPORT AUTHOR:</b>	<b>MARC JONES</b>
<b>TEL:</b>	01248 752601
<b>E-MAIL:</b>	rmjfi@ynysmon.gov.wales
<b>LOCAL MEMBERS:</b>	n/a
<b>A - Recommendation/s and reason/s</b>	
<p><b>1. MEDIUM TERM FINANCIAL STRATEGY AND 2024/25 REVENUE BUDGET</b></p> <p><b>1.1 Purpose</b></p> <p>The Executive is required to agree a number of key matters in respect of the 2024/25 budget. This will then allow the final recommendations to be presented to the full Council at its meeting on 7 March 2024. The matters requiring agreement are:-</p> <ul style="list-style-type: none"> <li>• The Council’s Revenue Budget and resulting Council Tax for 2024/25;</li> <li>• The Council’s updated Medium Term Financial Strategy;</li> <li>• The use of any one-off funds to support the budget.</li> </ul> <p><b>1.2 Summary</b></p> <p>This paper shows the detailed revenue budget proposals requiring final review and agreement for 2024/25, and the resulting impact on the Isle of Anglesey County Council’s revenue budget. These are matters for the Council to agree, and the Executive is asked to make final recommendations to the Council.</p> <p>The paper also updates the Medium Term Financial Strategy, which provides a context for work on the Council’s future budgets. However, it should be noted that a further report on the Council’s Medium Term Financial Strategy will be presented to the Executive later in the year, when further information on the economy and the proposed future local government financial settlement may be clearer.</p> <p><b>2. 2024/25 REVENUE BUDGET AND COUNCIL TAX RECOMMENDATIONS</b></p> <p>The Executive is requested :-</p> <ul style="list-style-type: none"> <li>• To agree the final details of the Council’s proposed budget, as shown in Section 4 of Appendix 1 and Appendix 2;</li> <li>• To note the Section 151 Officer’s recommendation that the Council should maintain a minimum of £9.2m general balances;</li> <li>• To note the comments made by the Section 151 Officer on the robustness of the estimates made, as set out in Section 5 of Appendix 1;</li> <li>• to recommend a net budget for the County Council of £184.165m and resulting increase in the level of Council Tax of 9.50% (8.6% for Council Services and 0.9% for the Fire Levy) (£136.44 – Band D) to the full Council, noting that a formal resolution, including the North Wales Police and Town / Community Council precepts, will be presented to the Council on the 7 March 2024;</li> </ul>	

<ul style="list-style-type: none"> <li>• That any minor differences between the provisional settlement and the final settlement will be adjusted for by using the general contingency which is included in the 2024/25 budget, or by making a contribution to / from the Council's general reserves in order to set a balanced budget;</li> <li>• To authorise the Section 151 Officer to make such changes as may be necessary before the submission of the final proposals to the Council;</li> <li>• To agree that any unforeseen pressures on demand led budgets during the financial year will be able to draw upon funding from the general contingencies budget;</li> <li>• To request the Council to authorise the Executive to release up to £250k from general balances if the general contingencies budget is fully committed during the year;</li> <li>• To delegate to the Section 151 Officer the power to release funding from the general contingency up to £50k for any single item. Any item in excess of £50k not to be approved without the prior consent of the Executive;</li> <li>• To confirm that the level of Council Tax Premium for second homes increases to 100% and for empty homes remains at 100%.</li> </ul>		
<b>B - What other options did you consider and why did you reject them and/or opt for this option?</b>		
A number of options were considered following the issue of the initial budget proposals. The final budget proposals take account of the final local government settlement, views expressed during the consultation process and the views of the Scrutiny Committee.		
<b>C - Why is this a decision for the Executive?</b>		
The Council's Constitution requires the Executive to publish its final budget proposal prior to its consideration by the Council.		
<b>CH - Is this decision consistent with policy approved by the full Council?</b>		
Yes. The final decision on the 2024/25 revenue budget will be taken by the full Council at its meeting on 7 March 2024.		
<b>D - Is this decision within the budget approved by the Council?</b>		
N/A		
<b>Dd – Assessing the potential impact (if relevant):</b>		
<b>1</b>	How does this decision impact on our long term needs as an Island?	In drawing up the budget proposal, the Executive has considered its statutory duties and the objectives set out in its Corporate Plan.
<b>2</b>	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	The details of any savings proposals are set out in the report.
<b>3</b>	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom	The Council has been working with other Councils and the WLGA to press the Welsh Government for the best financial settlement possible.
<b>4</b>	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	The budget proposals have been subject to a consultation process, the details of which are included in the report. The Executive has considered the results of the consultation before agreeing the final budget proposal.
<b>5</b>	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	Any proposals included in the final budget for 2024/25 will take into account the impact on any protected groups

6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	The budget will result in an increase in the Council Tax payable by the taxpayers of Anglesey. Those experiencing socio-economic disadvantage are more likely to qualify for help through the Council Tax Reduction Scheme, which should result in no financial impact / limited financial impact to those who are experiencing socio-economic disadvantage.
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	No impact identified.
<b>DD - Who did you consult?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Leadership Team (LT)</b> (mandatory)	The Chief Executive and Leadership Team have been part of the budget setting process throughout and are in agreement with the report and support the final budget proposal.
2	<b>Finance / Section 151</b> (mandatory)	N/A – this is the Section 151 Officer's report.
3	<b>Legal / Monitoring Officer</b> (mandatory)	The Monitoring Officer is part of the LT and, as such, the Officer's comments have been taken into account.
4	<b>Human Resources (HR)</b>	-
5	<b>Property</b>	-
6	<b>Information Communication Technology (ICT)</b>	-
7	<b>Scrutiny</b>	Final budget proposals were considered by the Scrutiny Committee at its meeting on 27 February 2024. A verbal update on the outcome of the meeting will be provided to the Executive.
8	<b>Local Members</b>	The Council's budget is applicable to all Members and consultation has taken place throughout the budget setting process.
9	<b>Any external bodies / other/s</b>	See Section 2 of the report.
<b>F - Appendices:</b>		
<ul style="list-style-type: none"> <li>• Appendix 1 – Detailed report on the Budget Proposals</li> <li>• Appendix 2 – Summary of the Proposed Revenue Budget 2024/25 by Service</li> </ul>		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
<ul style="list-style-type: none"> <li>• Initial Budget Proposals for 2024/25 – Executive Committee – 23 January 2024</li> <li>• Initial Budget Proposals for 2024/25 – Corporate Scrutiny Committee – 16 January 2024</li> <li>• Medium Term Financial Plan for 2023/24 to 2024/25 – Executive Committee – 26 September 2023</li> </ul>		

## 1. INTRODUCTION AND BACKGROUND

- 1.1. The following report sets out the 2024/25 revenue budget proposals and is one of a set of reports which provides an overall picture of the financial position of the Council and ensures that the Council funding is allocated to meet its priorities. The other reports in the set relate to the Council's Capital Programme and Capital Strategy, the Council's Treasury Management Strategy and Fees and Charges.
- 1.2. The revenue budget and the continued need to identify revenue savings has been driven by the Medium Term Financial Plan, as approved by the Executive Committee in September 2023, and can be summarised as follows:-

**Table 1**  
**Medium Term Financial Plan 2024/25 to 2025/26**

	2024/25 £'m	2025/26 £'m
Net Revenue Budget B/F	174.569	177.710
Budget Pressures and Inflation	13.072	5.368
<b>Revised Standstill Budget</b>	<b>187.641</b>	<b>183.078</b>
Aggregate External Finance (AEF) (assuming 3.0% rise in 2024/25 and 1.0% rise in 2025/26)	127.375	128.649
Council Tax (assuming 5% rise in 2024/25 & 2025/26)	50.335	52.852
<b>Total Funding</b>	<b>177.710</b>	<b>181.501</b>
<b>Additional Funding Requirement / Savings Required</b>	<b>9.931</b>	<b>1.577</b>
<b>Main Assumptions</b>		
Pay Awards – Non Teaching	3.5%	2.0%
Pay Awards – Teaching	5.6%	2.0%
General Inflation	4.9%	1.6%
Note – The figures for 2024/25 allowed for a correction of the base budget due to an under provision for pay and price inflation in 2023/24 budget.		

- 1.3. The figures quoted in the MTFP were based on assumptions and information available at the time the MTFP was drawn up. The purpose of the MTFP was not to provide an accurate assessment of the budget requirement, but to give a high level assessment of the potential budget gap.
- 1.4. In drawing up the initial budget proposal, the 2023/24 pay award had been settled, inflation had begun to fall rapidly and the scope for the inflation assumptions to be inaccurate was reduced, new energy prices for the year October 2023 to September 2024 had been received. This allowed for more certainty around the base budget.
- 1.5. The overall draft settlement figures for Wales received from the Welsh Government were in line with the forecast included in the MTFP, although the figure for Anglesey was slightly lower, due to how the funding formula works, with the Council receiving an increase of 2.5% compared to the 3.0% that was included in the MTFP.
- 1.6. However, despite these changes and that the funding gap was lower than forecast in the MTFP, it is still a challenging financial position for both 2024/25 and 2025/26, with costs still expected to rise due to inflation and increased demand, but little prospect that the funding from Welsh Government will be sufficient to cover all of these increases in costs.



## **2. THE INITIAL BUDGET PROPOSAL**

- 2.1.** At its meeting on 23 January 2024, the Executive discussed its original budget proposal and the provisional budget settlement which the Welsh Government had published on 20 December 2023.
- 2.2.** The provisional settlement was slightly lower than anticipated, and would provide the Council with £126.973m, which is an increase in cash terms of £3.308m (2.67%) but, after allowing for grants transferring into the settlement and the effect of the change in the Council's taxbase, the adjusted increase was £3.107m (2.51%).
- 2.3.** The Executive proposed a budget for 2024/25 of £184.219m and, given the provisional AEF of £126.973m, this would require an increase of 10.9% in Council Tax and the use of £4.425m of the Council's general balances to balance the budget.
- 2.4.** In setting the proposed budget, the Executive recognised the need to protect front line services and increasing budgets to meet an increased demand in Adult and Children's services.
- 2.5.** The budget proposal included capping the inflation increase for the delegated schools budget by 2.5%, which reduced the budget by £1.25m, included a savings target of £1m to be generated from workforce reductions, the postponement of the use of the Council Tax premium to fund housing projects for one year, saving £1.2m and other budget savings and income generation projects of £1.327m.
- 2.6.** Although not intended as a measure of what the Council's net revenue budget should be, the Standard Spending Assessment (SSA) does give some indication as to whether the Council's budget is at a reasonable level for the Council. The SSA for 2024/25 is £175.877m and the proposed budget is, therefore, 104.7% of the SSA.

## **3. SCRUTINY COMMITTEE**

- 3.1.** Due to the delays in receiving the provisional and final settlement, the budget timetable for 2024/25 has had to be condensed in order to ensure that the Council is in a position to set the Council Tax within the timeframe set out in the Local Government Finance Act 1992 (Section 30(6)). The Finance Scrutiny Panel also examined in detail the service investment proposals at its meeting on 11 January 2024, and the Panel's comments were reported to the Corporate Scrutiny Committee meeting on 16 January 2024.
- 3.2.** The 2024/25 initial budget proposal was considered by the Corporate Scrutiny Committee at its meeting on 16 January 2024. The Committee resolved to support the Executive's initial budget proposal.
- 3.3.** The final budget proposal was given further consideration by the Corporate Scrutiny Committee at its meeting of 27 February 2024, and a verbal report on the Committee's deliberations will be presented to the Executive at the Committee meeting.

## **4. CONSULTATION PROCESS**

- 4.1.** Despite the short timescale between the publishing of the initial budget proposal and the date of the deadline for setting the Council Tax, a short consultation process was undertaken, with residents asked to answer a number of questions on their spending and funding priorities. The short timescale did limit the number and type of questions asked in order to have sufficient time to analyse the responses.
- 4.2.** A summary of the responses received is summarised in Appendix 2. The main points arising from the consultation was that:-
  - Of the responses received 77% made education and schools one of their 5 top priorities, followed by supporting vulnerable adults and children 68%, and waste collection and recycling 66%.

- 61% of the respondents agreed or strongly agreed with the Statement.  
**“The council’s budget strategy aims to safeguard services for the most vulnerable people in our community, ensure the financial viability of the council, recover the cost of services through fees and charges, where it can continue to invest, and where possible, to modernise and transform the way the council provides its services”.**
- 49.3% of respondents were willing to pay more through fees and charges to protect services, whilst 50.7% would not be willing.
- 79% agreed or strongly agreed to use the additional funding generated from the Council Tax premium on second homes and empty homes to support the funding of service sin 2024/25.
- A varied response was received to the question as to whether the respondents agreed or disagreed with the savings proposals, with less support for the proposals which impact on Schools and Adult Services.
- Only 29% supported the proposed rise in Council Tax of 10.9%, with 36% not wishing to see any rise, with 88% supporting a rise of 5% or less.
- To achieve a balanced budget, 36% wanted all of the budget shortfall to be funded from reserves with 84% wanting at least 50% of the shortfall to be funded from reserves.
- In terms of which services the respondents were willing to see reduced, the services which were more discretionary in nature (Archives, Museums, Tourism and Library Services) were top of the list, whilst respondents wanted to see the more essential type services (social care, schools, fire and waste collection) be protected.

## 5. FINAL BUDGET PROPOSAL

- 5.1. In drawing up the initial budget proposal, the Council was awaiting the final budget decision in respect of levying bodies and other organisations which receive contribution from the Council. The impact on the Council’s budget of the adjustments resulting from a finalisation of the decisions are shown in Table 2 below.
- 5.2. The UK Government announced that Councils in England would receive an additional £600m in funding for 2024/25, and this will be formally confirmed in the Chancellor’s budget on 6 March 2024. This additional funding creates an additional £25m as consequential funding for the Welsh Government and they have confirmed that £10.6m of this additional funding will return the Social Care Workforce Grant to the 2023/24 level. The remaining £14.4m has been allocated through the Local Government settlement formula. The impact of this additional funding is that the Aggregate External Finance increases by £332k.
- 5.3. There is one outstanding point which have not been reflected in the final Local Government settlement, which relates to the increased employers’ contribution rate for teachers and fire service pensions. It is still anticipated that the additional costs will be fully funded by the UK Government and that funding will be made available to Welsh Government to allow the funding to be passed on to Councils. The discussions between the two Governments are ongoing and it may result in the Council receiving additional funding in 2024/25.

**5.4.** The Welsh Government have also transferred 3 revenue grants into the final settlement

- Implementation of the Performance and Improvement Framework - £40,000;
- Delivery of Flood Prevention - £225,000;
- Child Burials - £16,240.

Given the lateness of the notification, these grants will be incorporated into the budget of the relevant service in 2024/25 and the budget will be reviewed during 2024/25 and adjusted accordingly in 2025/26, if the sum transferred into the budget is not fully required.

**5.5.** In drawing up the final budget proposal a number of budgets have been reviewed and this has allowed the Executive some flexibility surrounding the final proposal. These changes are as follows:-

- The North Wales Fire Authority have reviewed their final budget proposal which has resulted in a reduction of £87k in the levy that the Council must fund.
- Energy prices for the period October 2023 to September 2024 have now been received and this has shown a fall in prices. The level of inflation for 2024/25 has been reviewed and it is assessed that energy budgets can be reduced by £220k.
- The Welsh Government capped the Non Domestic Rate multiplier and this along with the transitional relief scheme has resulted in a reduction of £84k in the budget requirement.
- In determining the budget to fund the cost of the Council Tax Reduction Scheme, there was an anticipation that the number of claimants would increase at the end of the summer 2023 period. The review at the end of quarter 3 of the 2023/24 financial year has identified that the increase in claimants did not occur as expected. This has allowed a reduction of £150k in the budget requirement.
- In the initial budget proposal, £2.88m was included in the budget to meet the cost of additional service demands within Adult Services, where costs were expected to rise higher than inflation and to take account of the Welsh Government's proposed reduction in the Social Care Workforce Grant. The financial position at the end of quarter 3 shows a significant reduction in the forecasted overspend for the service. The majority of the shift is due to one off items including vacant posts and accrued income from previous years which do not impact on the 2024/25 budget, but there were some changes which have reduced the budget requirement for 2024/25. The increase in the Social Care Workforce Grant back to the 2023/24 level (see paragraph 5.2 above) and the other changes has reduced the additional funding required by Adult Services by £500k.

5.6. The impact of all these changes are summarised in Table 2 below:-

**Table 2**  
**Revised Council Net Revenue Budget**

	£m	£m
<b>Initial Proposed Net Revenue Budget 2024/25</b>		<b>184.219</b>
<b>Adjustments</b>		
Fire Service Levy	(0.087)	
Energy Inflation	(0.220)	
Non Domestic Rates Multiplier	(0.084)	
Council Tax Reduction Scheme	(0.150)	
Adult Services Budget Pressures	(0.500)	
Grants Transferring into the Settlement	0.281	
		(0.760)
<b>Revised Net Revenue Budget 2024/25</b>		<b>183.459</b>
<b>Funded by</b>		
Aggregate External Finance - Provisional	126.973	
Additional Aggregate External Finance	0.332	
Grants Transferring into the Settlement	0.281	
		127.586
Council Tax (including 2 <sup>nd</sup> Home and Empty Home Premium)		52.821
Reserves		4.425
<b>Revised Funding 2024/25</b>		<b>184.832</b>
<b>Excess of Funding over Net Revenue Budget</b>		<b>1.373</b>

5.7. The Executive considered the various options in order to match the revised funding with the net revenue budget:-

- Reduce the rise in Council Tax down to 8.02%, this utilises all of the excess funding over the net revenue budget;
- Reduce the budget saving proposals by £1.373m. This would increase the net revenue budget to £184.832m which matches the level of revised funding;
- Reduce the use of reserves to balance the budget from £4.425m to £3.052m;
- A combination of the 3 options noted above.

5.8. Although the Executive understand the pressure that families are facing due to the cost of living crisis, they also recognise that the level of the rise must not just balance the budget for 2024/25, but they have to consider the impact on the 2025/26 budget. Setting a lower Council Tax does impact on the starting point for 2025/26, and having too low a level of Council Tax will only increase the budget shortfall in 2025/26 and weaken the overall financial position of the Council.

5.9. The majority of the proposed savings are deliverable and the impact on the Council assessed prior to agreeing to the proposals. The savings proposal that has the most impact on service delivery is the capping of the inflationary increase for schools. The financial position of each school varies depending on a number of factors, including the movement in pupil numbers, additional grant funding outside of the core budget and the level of school balances. The current budget setting process has identified that a small number of schools are having great difficulty in setting a balanced budget for 2024/25 and, although reducing the cap would not solve the budget issues for all schools in 2024/25, any reduction would go some way to alleviate the financial difficulties for schools.

- 5.10.** The level of reserves to be used to balance the 2024/25 budget is significant and the highest level proposed for a number of years. Based on current projections, it will not be possible to use reserves again in 2025/26 to contribute to the overall funding. Reducing the contribution in 2024/25 may allow reserves again to be used in 2025/26, but to a lesser extent. This again will reduce the budget shortfall the Council will face in 2025/26 and allow for a more gradual reduction in services rather than having to implement a wide range of service reductions in the year. However, it should be noted, that the use of reserves only delays the need to reduce the Council's overall net revenue budget, and their use are not a permanent solution to the financial position faced by the Council.
- 5.11.** Having considered all of the above factors, the Executive's final proposal amends the initial proposal as follows:-
- The increase in Council Tax is reduced to 9.5%, of which 0.9% relates to the increase in the Fire Authority levy and 8.6% relates to the Council's budget requirement. This increases the Band D Council Tax by £136.44 taking the Band D charge to £1,572.30. This reduces the overall income generated from Council Tax by £667k
  - That the cap on the inflationary increase to schools is reduced from 2.5% to 1.5%. This increases the overall schools budget by £498k compared to budget set in the initial proposal.
  - That the savings proposals for Additional Learning Needs (£100k) are not implemented in 2024/25.
  - That £50k of the proposed savings in respect of non statutory social care support services is retained in order to fund the transitional costs incurred in re-modelling the service.
  - £46k is added to the public conveniences cleaning budget to meet the additional costs following the retendering of the service.
  - That the proposal to reduce the opening hours of Leisure Centres is modified to allow for Amlwch Leisure Centre to remain open until 3pm, rather than close at 1pm, as proposed in the initial budget proposals at an additional cost of £12k.

5.12. These adjustments give a final budget proposal as shown in Table 3 below:-

**Table 3**  
**Final Budget Proposal 2024/25**

	£m	£m
<b>Revised Proposed Net Revenue Budget 2024/25 as per Table 2</b>		<b>183.459</b>
<b>Final Adjustments</b>		
Reduce the Inflationary Cap for Schools to 1.5%		0.498
Adjustment to Savings Proposals		0.150
Additional Funding for Public Convenience Cleaning		0.046
Adjustment to Leisure Centre Opening Hours		0.012
Balance of Funding to General Contingency		(0.001)
<b>Revised Net Revenue Budget 2024/25</b>		<b>184.164</b>
<b>Funded by</b>		
Aggregate External Finance	127.586	
Council Tax (including 2 <sup>nd</sup> Home and Empty Home Premium)	52.153	
Reserves	4.425	
<b>Revised Funding 2024/25</b>		<b>184.164</b>

## 6. ROBUSTNESS OF ESTIMATES

- 6.1. Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of budget estimates and the adequacy of the proposed financial reserves.
- 6.2. Budget estimates are based on assumptions of future expenditure and income and contain an element of assumption risk. The impact of this risk can be mitigated through contingency plans, contingency budgets and financial reserves.
- 6.3. The robustness of budget estimates is not simply a question of whether they are correctly calculated. In practice, many budgets are based on estimates or forecasts, and there may be an element of risk as to whether plans will be delivered or targets achieved. Different risks to the budget are considered in turn below:-
- **Pay Inflation Risk** – When inflation levels are low and the overall movement in the inflation rate is small, then the inflation risk is low, as has been the case for a number of years. Given that there is no pay offer made for NJC staff for 2024/25 and that the Welsh Government have yet to indicate what the Teacher’s pay award will be from September 2024, there is still considerable uncertainty in respect of pay inflation and, with a pay bill in excess of £100m, a 1% error in the pay inflation assumption could result in a £1m under funding position in 2024/25. This risk is mitigated by the fact that the Council holds an earmarked reserve to fund any inflationary pressures. This would be released to fund any additional pay budget requirement, with the long term budget then being corrected in 2025/26.

- **Price Inflation Risk** - The general measure of inflation (CPI) peaked in December 2022, and begun to fall significantly during 2023, and is forecast to fall to on or around 2% by the mid to late summer. When setting the initial budget, the expectation was that the fall of CPI to 2% would be slower and, therefore, if inflation falls at a slower rate than predicted, then sufficient budget provision has been allowed to cover this risk. However, it is noted that the inflation for some types of expenditure may remain higher than this (food, energy, building materials) and the actual inflation faced by the Council may differ greatly from the CPI figure. To some extent, the Council is protected from this risk because a majority of our larger contracts (school meals, highway maintenance, refuse collection etc.) use inflation indices from September, October or November 2023 to determine the inflation for 2024/25. Given that these figures are known, they have been built into the proposed budget for 2024/25.
- **Interest Rate Risk** - Interest rates affect a single year's revenue budget through the interest earned - i.e., an interest rate rise is beneficial. The Authority's Treasury Management Strategy requires investments to be made on the grounds of security and liquidity of the investment as the first consideration, with investment returns being a lower priority, therefore, the budget is not reliant on high investment returns. Interest rates have remained high, with the Council achieving over 5% returns on investments. In setting the budget, an estimate of the interest receivable has been factored into the budget, but there is a risk that the budget will not be achieved if interest rates begin to fall quickly, or if the funds available to be invested are lower than forecast. The majority of the interest paid by the Council relates to fixed rate loans which will not change should the interest rate rise. Therefore, the interest rate risk is considered low and, as in previous years, this is a compensating risk for inflation risk, because if one increases, the other is likely to increase also.
- **Grants Risk** - These are risks attached to the large number of specific grants from Welsh Government (WG), or other bodies, which provide in excess of £25m additional funding. The final settlement indicates that the majority of the grants received from WG will remain at the 2023/24 level or will be reduced on an all Wales basis. What is not clear for all grants is the specific grant funding for Anglesey. Initial indications are that the grant funding to schools will be 8% to 10% lower than in 2023/24. Whilst the immediate response is to say that when the grant ceases, so must the associated expenditure, there is a risk that this may not always be possible. It may not be possible when contract terms mean the expenditure cannot be cut as quickly as the income, or it involves unfunded severance costs. It may not be possible if the activity funded turns out to be so important to the delivery of the Council's own priorities that the Council decided it must continue the expenditure. Efforts to mitigate this risk are to ensure we have the best information available on each grant, but significant changes during the year cannot be entirely ruled out.
- **Income Risks** – The budget is based on securing an overall 5% increase in fees, and a number of services have assumed rises up to 5%. If the elasticity of demand for Council Services is such that volume falls, and income targets are not achieved, that may cause overspending on net budgets. The cost of living crisis may have an impact on the income generated from services such as leisure, car parking, planning and building regulations, where users may choose to reduce their expenditure on these non-essential services. This will require close monitoring of the net budget position and, if necessary, cutting back on spending to match reduced income.

- **Demand Risk** – A number of services can experience a change in the demand for its services. Some can be predicted and taken into account when setting the budget, e.g. changes in pupil numbers. Others are more difficult to predict and a small increase in numbers can have a significant impact on costs. The budget allows for providing the service at current levels, with increases in demand covered by the Council's general balances or, in some cases, earmarked reserves. Allowance has been made in the 2024/25 budget for the current level of service demand for social care and homelessness prevention, although there is a risk of the increase in demand continuing in 2024/25 above what has been allowed for in the budget. This would result in an overspend in those services affected, which would have to be funded from the Council's general reserves and balances.
- **Optimism Risk** – In previous years, probably the greatest risk in current circumstances is that the Authority, Members and Officers have been over-optimistic in the savings that will be achieved, or that demand for services, particularly social care, will not increase significantly. For 2024/25, the budget does include over £2.3m of savings that have to be delivered, which includes a savings target of £1m from staff reductions which will be found as posts become vacant. Failure to achieve the savings target will result in an overspend at the end of the 2024/25 financial year, which would be funded from Council reserves.
- **Over-caution Risk** – This is the opposite of optimum risk: the danger that our budgets have been drawn up with too much caution and, so, are more than is required, and this would result in the Council Tax being set at a level that is higher than required, which is something that Members are keen to avoid. The Section 151 Officer is satisfied with the budget setting process and that the budget set is a fair assessment of the resources required by each service, based on the relevant factors as they stand at the moment.
- **Council Tax Premium** – In setting the taxbase, it is accepted that the number of empty properties and second homes can change during the year and, as such, only 80% of eligible properties are included in the taxbase. This protects the Council's budget should there be a significant drop in numbers. However, it should be noted that the number of empty properties used in the taxbase calculation rose from 417 properties in October 2022 to 431 properties in October 2023, and the number of second homes fell from 2,724 to 2,443. Many factors influence the number of second homes, but the increase in the second home premium from 50% to 75% in April 2023 may be a contributory factor and, as a result, the change in the level of the second home premium from 75% to 100% presents a significant risk in 2024/25. The increase may encourage second homeowners to sell or let their property, i.e., one of the intended purposes of increasing the premium, however, it may encourage a greater amount of non payment or avoidance by transferring to business rates or by other avoidance means. To mitigate the risk, additional staff will be employed to identify tax avoidance and minimise the amount of the premium lost as a result. As the Executive has committed to using all of the additional premium to address the issues caused by high numbers of second homes on Anglesey, any significant reduction in income would result in a reduction in the funding available for these initiatives in future years.

**Council Tax Income** – The Council Tax income budget is based on the taxbase calculation as at November of the previous financial year. The taxbase changes constantly during the year, as new properties are included and exemptions and single person discounts are granted. These changes cannot be estimated and, invariably, lead to a difference between the actual debit raised and the budget.

The cost of living crisis may also impact on the Council's collection rate, as more households struggle financially with rising costs. This may result in a financial loss in 2024/25, or future years, when uncollectable debts are eventually written off.



- 6.4. Having considered all the risks noted above, and the mitigating actions, the Section 151 Officer is of the view that the budgets are robust and deliverable, and the Council's current healthy level of general balances and earmarked reserves provides sufficient mitigation against the risks identified.

## **7. GENERAL AND SPECIFIC RESERVES**

- 7.1. The proposed budget incorporates a number of assumptions in terms of likely levels of income and expenditure in future years. There are, therefore, inevitably a number of financial risks inherent in the proposed budget, which are set out in paragraph 5 above.
- 7.2. In terms of any contingencies and reserves, the Section 151 Officer needs to review these in their totality, in conjunction with the base budget itself and the financial risks which face the Authority. In addition, the review should incorporate a medium term view, where needed, and should take into account key developments that may impact on the need and use of one off resources.
- 7.3. A robust view is being taken on managing budget risks and protecting the financial health of the Council at this time. This is particularly the case when one off funds need to be adequately protected to fund future strategic / transformational changes, as opposed to funding significant overspends on the base budget itself.
- 7.4. Account has been taken of the need to keep the immediate reductions in spending, and the resulting impact on services, to a minimum, but this must be balanced against the need to ensure the medium and long term financial stability of the Council, and for savings to be implemented over the coming years in a phased and structured way. In addition, there is always some risk of unforeseen items of expenditure or overspending because of a more general pressure on a service budget, and reserves must also be adequate to absorb these pressures.
- 7.5. As at 31 March 2023, the Council's general reserves stood at £14.039m, which is equivalent to 8.04% of the Council's net revenue budget for 2023/24, 11.29% if the delegated schools' budget is excluded. During the year, £3.78m was allocated as funding for the 2023/24 budget and, after taking into account the financial position for 2023/24 and allowing for earmarked reserves of £2.825m transferring back to general balances, it is forecast that the balance will stand at £15.219m. After allowing for the use of £4.425m as funding for the 2024/25 revenue budget, the revised balance would fall to £10.79m, or 5.88% of the 2024/25 net revenue budget.
- 7.6. The transfer of earmarked reserves back to general balances, and the use of these reserves during the year, has reduced the balance from £19.637m at the beginning of 2023/24 down to a forecasted level of £14.038m at the end of the financial year.
- 7.7. School balances began the 2023/24 financial year at £6.751m but are forecast to fall to £3.799m by the end of 2023/24. It is expected that schools will use the majority of these balances in order to fund the 2024/25 budget.
- 7.8. The level of general balances is a matter for the Council to decide, based on the recommendation of the Council's Section 151 Officer but, as a general rule, 5% of the net revenue budget is considered to be an acceptable level. It is a matter for debate whether the net revenue budget should exclude the delegated schools budget, as schools hold their own balances to meet unexpected costs. Based on the current financial situation, there is a high degree of confidence that the level of general balances will exceed 5% of the net revenue budget at the beginning of the 2024/25 financial year.
- 7.9. Having taken into consideration the level of the Council's general balances, school balances, earmarked reserves and contingency budgets, the Section 151 Officer is content that the Council's financial position is sufficiently robust to withstand any difficulties that may arise during 2024/25 if the proposed revenue budget is insufficient to meet the actual costs incurred by the Council during 2024/25.

## 8. COUNCIL TAX

- 8.1. The Council's Band D Council Tax charge for 2023/24 was £1,435.86, which was 18<sup>th</sup> from the 22 Authorities in Wales, and is lower than the Welsh Average of £1,541. More importantly for Anglesey is the comparison to the 5 other North Wales authorities. This is shown in Table 4 below:-

**Table 4**  
**Comparison of Council Tax Band Charges for North Wales Authorities**

Authority	Band D Charge 2023/24 £	Amount Above / Below Anglesey £	Percentage Above / Below Anglesey %
Anglesey	1,435		
Gwynedd	1,603	+ 168	11.65
Conwy	1,580	+ 145	10.10
Denbighshire	1,535	+ 100	6.96
Flintshire	1,522	+ 87	6.02
Wrexham	1,454	+ 19	1.32

- 8.2. The Council Tax budget for 2024/25 (prior to an increase in the Council Tax but after adjusting for the change in the Council Tax Base and premium) is £47.63m. Therefore, each 1% increase generates an additional £476k.
- 8.3. After taking into account the anticipated final settlement figure of £127.305m, the revised budget requirement of £183.551m (see Appendix 2) and the use of £4.093m of reserves, it would require £52.153m in Council Tax funding. To fund the revised budget requirement, the increase in the level of Council Tax would be 9.50%, taking the Band D charge to £1,572.30, an increase of £136.44, or £2.62 per week.

## 9. EQUALITIES IMPACT ASSESSMENT

- 9.1. In delivering its services, the Council has to be mindful of its duties under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 and the Well Being of Future Generations (Wales) Act 2015 to assess the impact of key financial decisions on protected groups and have due regard to the result of such assessments.
- 9.2. The proposed budget will not impact on any of the protected groups set out in the Regulations and, as a result, no Equality Impact Assessments are considered necessary.

## 10. UPDATING THE MEDIUM TERM FINANCIAL STRATEGY

- 10.1. As stated in paragraph 1, the economic situation has changed considerably since the Council approved the Medium Term Financial Plan (MTFP) in September 2023.
- 10.2. The main area of uncertainty for the MTFP moving forward is inflation and its impact on future pay awards, whilst the cost of living crisis and its impact on the demand for Council services is also a major factor.

10.3. The updated MTFP for 2025/26 and 2026/27 is shown in Table 5 below:-

**Table 5**  
**Summary Medium Term Financial Plan 2025/26 & 2026/27**

	2025/26 £'m	2026/27 £'m
Net Revenue Budget B/F	184.164	183.619
Budget Pressures and Inflation	6.820	5.500
<b>Revised Standstill Budget</b>	<b>190.984</b>	<b>189.119</b>
Aggregate External Finance (AEF) (assuming 1.0% rise in 2025/26 and 2.0% rise in 2026/27)	(128.862)	(131.439)
Council Tax (assuming 5% rise in 2025/26 & 4% rise in 2026/27)	(54.757)	(56.947)
<b>Total Funding</b>	<b>(183.619)</b>	<b>188.386</b>
<b>Additional Funding Requirement / Savings Required</b>	<b>7.365</b>	<b>0.733</b>
<b>Main Assumptions</b>		
Pay Awards – Non Teaching	2.0%	2.0%
Pay Awards - Teaching	2.4%	2.0%
General Inflation	1.7%	2.0%

10.4. The MTFP estimate above is based on a number of assumptions which may change as we move towards 2025/26, but the plan indicates that there will be a need to make significant reductions in the net revenue expenditure budget in 2025/26 in the region of £7m. This again could be partly offset by the further use of reserves but again this only postpones the need to make budget reductions until 2026/27.

10.5. The capital funding situation also has an impact on the revenue budget moving forward, with the current level of funding being insufficient to maintain the Council's buildings and roads to their current standard and to invest in new vehicles and I.T. hardware. This lack of funding will increase repair and maintenance costs of all the Council's assets as their useful lives are extended. Investment and asset rationalisation will have to be considered in order to ensure that services can be maintained, whilst minimising the additional costs that will fall on the revenue budget moving forward.

10.6. The situation does improve in 2026/27 with the expectation that inflation will have fallen back to the Bank of England's target of 2% and that the funding increase from Welsh Government will match inflation. The unknown variable will be demand for social care and homelessness services, which can place a significant pressure on budgets should they increase. Any significant increase in demand will impact on the forecasted figures shown in table 5.

10.7. An updated MTFP will be presented to the Executive in September 2025.

## 11. CONCLUSIONS

11.1. It is important that the budget set is achievable and reflects the demands faced by services currently, although it is noted that the continuation of the cost of living crisis would have a significant impact on the Council's budget. The financial position faced by the Council is not unique to Anglesey but it is a situation that all 22 Welsh Councils are facing along with the vast majority of English Councils.

- 11.2.** The local government settlement is in line with the forecast and is insufficient to meet the rising costs as a result of high inflation, pay awards and increased demand for services. As anticipated the only way open to the Council to set a balanced budget, whilst maintaining services and catering for increased demand is to make budget reductions, combined with an increase in Council Tax and the controlled use of reserves.
- 11.3.** The Council's general financial position is still fairly strong, although the level of balances and earmarked reserves have diminished during 2023/24 and, although the use of reserves to balance the 2024/25 budget is a fairly safe strategy, it is not a strategy that can be used long term. There is a potential to use reserves to a lesser extent to balance the 2025/26 budget but this position can change during 2024/25.
- 11.4.** The position in 2025/26 appears to be more difficult with only a limited increase in Welsh Government funding expecting which will be lower than the level of inflation, pay awards etc. The Council will be unable to rely on reserves to provide funding to the same level and therefore it will require reductions in services and / or an above inflation increase to enable the Council to set a balanced budget in 2025/26.
- 11.5.** Therefore, in the professional opinion of the Section 151 Officer, the proposed revenue budget for 2024/25 achieves the following objectives:-
- Ensures that the financial resources allocated to each service is sufficient to meet the current budget pressures and fulfil the demand for the statutory functions which the services must provide.
  - Uses a combination of budget reductions, reserves and a rise in Council Tax to set a balanced budget.
  - Sets a level of Council Tax which is comparable with the Welsh Government's assessment of where Anglesey's Council Tax should be, and is in line with the Council Tax set by other Welsh authorities of a similar size and type.

## **12. RECOMMENDATIONS**

- 12.1.** The Executive is recommended to approve the final budget proposal, as set out in Paragraph 4, to the full Council meeting on 7 March 2024.

## FINAL BUDGET PROPOSAL 2024/25 BY SERVICE

	Final Proposed Budget 2024/25 £'m
Education and Culture	67.924
Adult Services	39.197
Children's Services	14.432
Housing Services	1.660
Highways, Waste and Property	20.354
Regulation and Economic Development	6.130
Corporate Transformation	7.620
Resources	4.017
Council Business	2.125
Corporate Management	0.800
<b>Total Service Budgets</b>	<b>164.259</b>
Corporate and Democratic Costs	2.143
Recharges to HRA	(0.800)
Support for Local Housing Help to Buy Schemes	0.000
Levies	4.931
Capital Financing	5.753
Benefits Granted	0.109
Discretionary Rate Relief	0.105
Council Tax Reduction Scheme	7.283
Unallocated Staffing Savings	(1.000)
<b>Total Allocated Budgets</b>	<b>182.783</b>
General & Other Contingencies	1.381
<b>Total Budget 2024/25</b>	<b>184.164</b>
<b>Funded By</b>	
Revenue Support Grant	102.245
Non Domestic Rates	25.341
Council Tax (Including Council Tax Premium)	52.153
Council Reserves	4.425
<b>Total Funding</b>	<b>184.164</b>
<b>Difference Budget to Funding</b>	<b>0.000</b>



## **Council Budget 2024 / 2025**

### **Summary of consultation responses**

**12 February 2024**

## 1. Introduction

The consultation opened on 24 January 2024 until 8 February 2024. The consultation was published on the Council website and promoted via our social media channels. Paper copies of the survey was also shared amongst Anglesey's public buildings.

Purpose of the consultation was to gather feedback from Anglesey residents on the proposed budget for 2024/25.

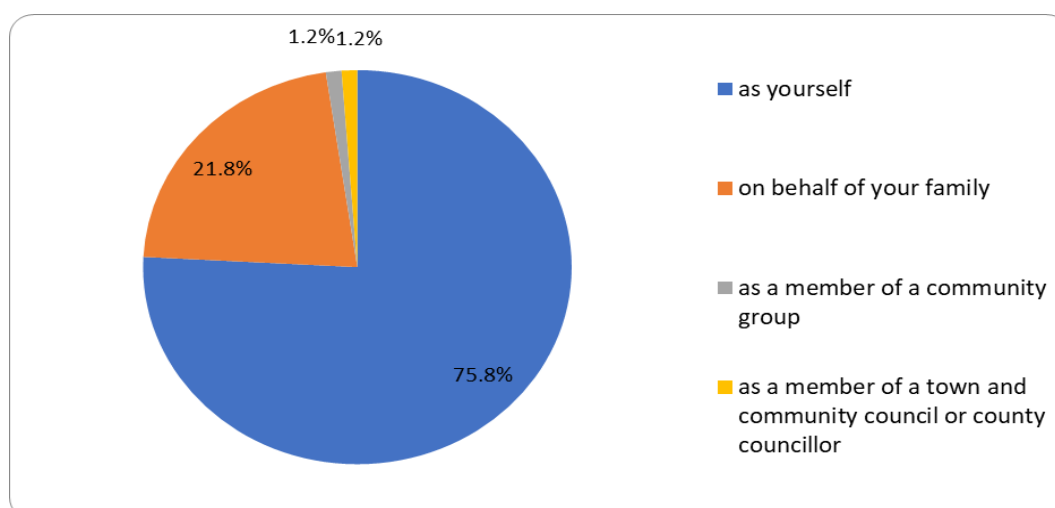
We received a total of 864 fully completed responses, including;

- 734 completed an online survey
- 120 completed a paper copy of the survey
- 10 responses via email
- We received a further eight written responses by letter.

This report is a summary of the consultation survey results and the main themes identified from feedback. The results are based on the 854 fully completed surveys. A summary of the responses from the 10 e-mails and 8 letters is included in section 3 below.

## 2. Summary of Results

2.1.1. Question 1 asked - We would like to hear from everyone about the communities in which they live. Please tell us if you are filling out this questionnaire:



2.1.2. Question 3 asked - Which services are most important to you?

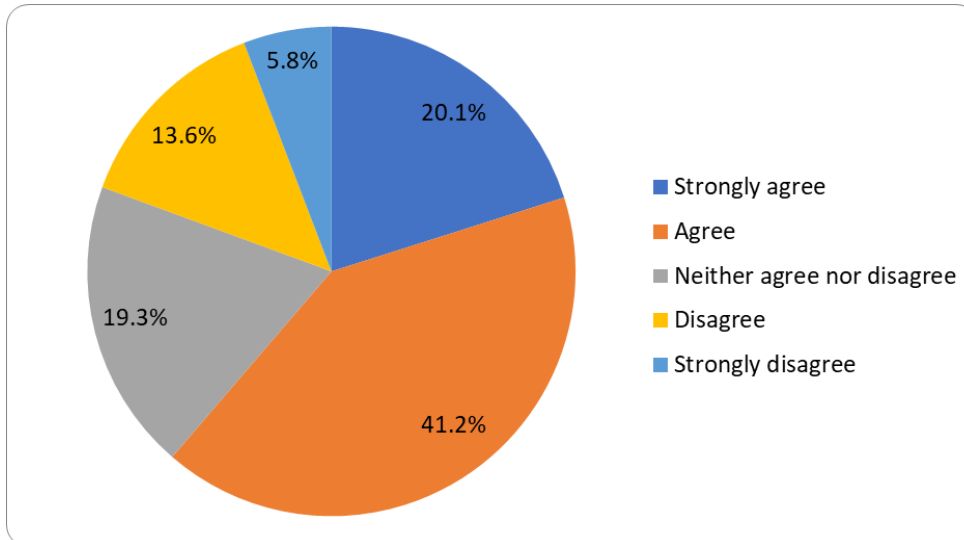
Results showed that the top five priorities are (respondents were asked to select 5):

Answer Choice	Response Percent	Response Total
Education and schools: £61.2m	77%	651
Supporting vulnerable children, families, adults and older people: £47.3m	68%	572
Waste collection, disposal and recycling: £10.3m	66%	555
Roads and infrastructure: £7.9m	56%	474
Leisure centres: £1.2m	42%	352

2.1.3. **Question 4 asked - The council's budget strategy aims to safeguard services for the most vulnerable people in our community ensure the financial viability of the council recover the cost of services through fees and charges where it can continue to invest, where possible, to modernise and transform the way the council provides its services**

**Do you agree with these aims?**

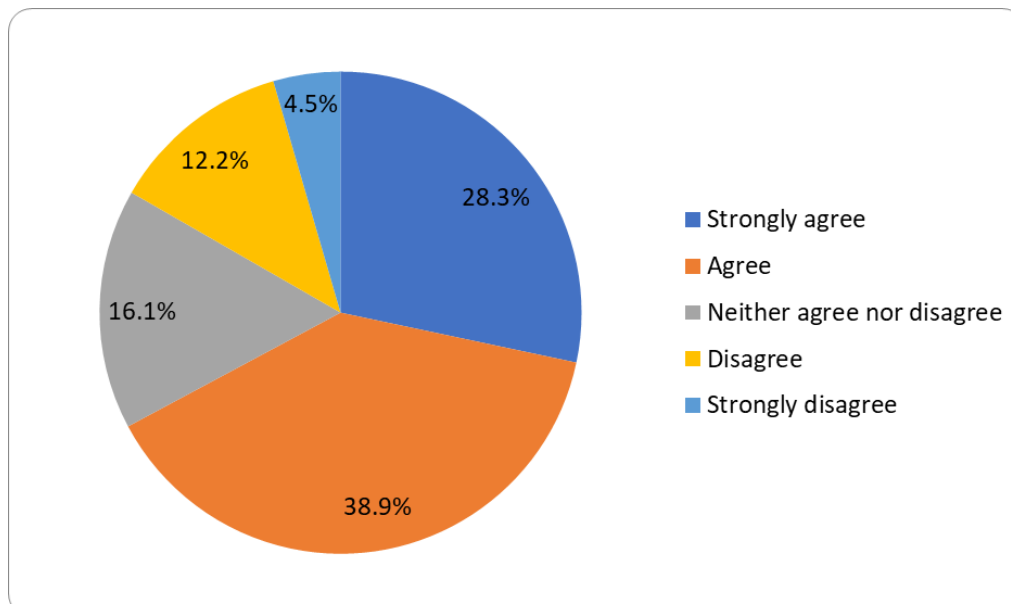
61% of respondents either strongly agreed or agreed.



2.1.4. **Question 5 asked - The budget proposals for 2024 to 2025 allow for significant continued investment in social care budgets in order to continue to provide services to the most vulnerable people in our communities?**

**Do you agree with this proposal?**

67% of respondents either strongly agreed or agreed.





- 2.1.5. **Question 6 asked - The budget proposals allow for a general increase of 5% in discretionary fees and charges. These are fees and charges for services that we provide, such as: leisure centres, school meals personal watercraft launching fees, pest control charges, admission to museums, waste collection services (including green garden waste).**

**Would you be willing to pay more to protect services from budget reductions?**

Yes 49.3% No 50.7%

- 2.1.6. **Question 7 asked – For which services would you pay more? (Please choose as many services as you want).**

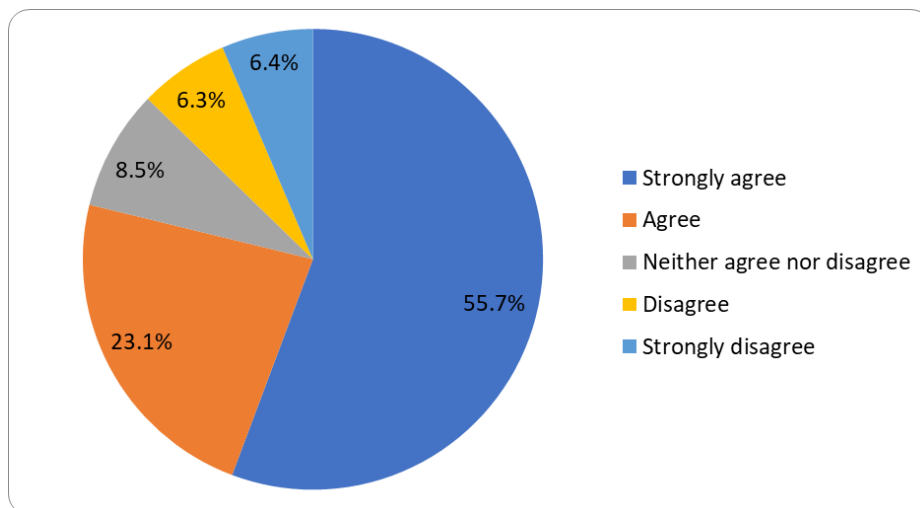
Answer Choice	Response Percent	Response Total
Leisure centres	54.6%	358
Personal watercraft launching fees	48.8%	320
Admission to museum	41.2%	270
Pest control charges	39.8%	261
Waste collection services (including green garden waste)	37.0%	243
School meals	35.8%	235

This question also had a free text section, asking respondents which other services for which they would pay more for. 164 provided further suggestions, these can be broken down into the following seven categories (also highlighted in the word cloud below):

- None (55) – respondents commented that they “already pay enough council tax”
- Car parking and highways (26) – respondents suggested increase parking fees and parking enforcements, as well as improvements to highway services
- Education (18) – respondents suggested paying more for education provision, including meals, school clubs and school trips
- Libraries and Culture (10) – respondents willing to pay to visit Oriel Môn and pay late fees on books
- Social Services (9) – respondents willing to pay more for social service related services, including blue badges, adaptations and care fees
- Planning and Environment (9) – respondents willing to pay more for planning fees, including building control, and any services linked with improving the environment.
- Leisure Activities (4) – respondents willing to pay more for leisure centre embership and maritime

- 2.1.7. **Question 8 asked – Do you agree with the proposal to use the additional funding generated from the Council Tax premium on second homes and empty homes to support the funding of services in 2024 to 2025?**

79% Strongly agreed or agreed



**2.1.8. Question 9 asked - Do you agree or disagree with our major savings proposals?**

Answer Choice	Agree	Disagree
Increase the Môm Actif package monthly fee by £1: Potential saving £62,000	673	153
Increase car parking fees for coastal car parks and for town centre car parks for fees for more than 4 hours but freeze the charge for 1 and 2 hour parking in town centres: Potential saving £100,000	644	190
Where possible, reduce the overall staffing costs by reviewing staffing structures and responsibilities when posts become vacant : Potential saving £1,000,000	632	197
Rationalise administrative support for the Youth Service: Potential saving £50,000	531	274
Remodel the provision of adult day care to a more community based model: Potential saving £102,000	529	281
Reduce opening times of the 4 leisure centres to reflect the current usage of the centres: Potential saving £39,500	458	366
Reduce road safety budget: Potential saving £10,000	409	399
Reduce the budget to support pupils with additional learning needs by 5%: Potential saving £87,000	181	641
Reduce the budget for the repair and maintenance of Council owned residential care homes: Potential saving £70,000	226	596
Cap the cash increase to schools to 2.5% below the inflationary pressure: Potential saving £1,246,000	289	528
Reduce out of hours non statutory care support services: Potential saving £96,500	289	525
Reduce the budget to integrate pupils into mainstream education: Potential saving £100,000	303	513

2.1.9. **Question 10 asked – Do you agree with the proposed level of rise in Council Tax of 9.78% (plus 1.12% to cover fire levy)?**

**A rise of 9.78% would increase council funding by £5.2 million.**

No	71.2%
Yes	28.8%

2.1.10. **Question 11 asked – By how much should Council Tax rise? (A rise of 9.78% would increase council funding by £5.2 million)**

Answer Choice	Response %	Response Total
No rise - this would leave a funding shortfall of £5.2m	35.6%	212
Rise between 3% and 5% - this would leave a funding shortfall of between £2.7m and £3.7m	30.4%	181
Rise between 0% and 3% - this would leave a funding shortfall of between £3.7m and £5.2m	22.5%	134
Rise between 5% and 7.5% - this would leave a funding shortfall of between £1.6m and £2.7m	10.1%	60
Rise between 7.5% and 10% - this would leave a funding shortfall of between £0.4m and £1.6m	1.5%	9

2.1.11. **Question 12 asked – How would you make up the funding shortfall noted in the previous question?**

Answer Choice	Response %	Response Total
Option 5: No cut in service budgets. All funded in the use of council reserves	30.9%	180
Option 3: Fund 50% with a cut to service budgets. Fund 50% by using council reserves	27.7%	161
Option 4: Some cut to service budgets. Fund majority with the use of council reserves	25.4%	148
Option 2: Majority cut to the service budgets. Some use of council reserves	12.0%	70
Option 1: All funded by a cut in service budgets. No use of council reserves	4.0%	23

**2.1.12. Question 13 asked - Which service budgets would you be willing to see reduced? (Please choose as many services as you want).**

<b>Answer Choice</b>	<b>Response Percent</b>	<b>Response Total</b>
Archives and museums	63.9%	493
Tourism and Maritime	63.2%	488
Libraries	49.9%	385
Public protection, planning, licensing and environmental health	40.7%	314
Environment and countryside management	33.4%	258
Economic development	32.3%	249
Leisure centres	31.2%	241
Housing advice and welfare support	29.5%	228
Homelessness prevention	23.7%	183
Youth Services	21.9%	169
Roads and infrastructure	18.9%	146
Waste collection, disposal and recycling	15.7%	121
Fire services	13.1%	101
Education and schools	12.6%	97
Supporting vulnerable children, families, adults and older people	8.7%	67

### **3 Written Responses**

Six letters specifically related to education were received representing a total of 13 primary schools and school leaders (1 letter on behalf of head teachers within a catchment area / 2 letters from a school governor / 2 letters from school head teachers / 1 letter from a trade union).

All were very concerned about the funding available to undertake the provision before the proposed 2.5% reduction and are now extremely worried. Some of the main points from the letters include:

- Re-looking at the current funding formula for schools on the island
- Suggestion for secondary schools to take a 60%/ 40% split with primary schools on the school budget reduction
- Schools are having to stop provision of swimming lessons, library, culture visits, music lessons and sports activities
- Many schools are having to increase classroom sizes above the recommended 30 pupils
- Some schools are seeing numbers decrease significantly and are concerned for the schools future
- The current budget does not reflect the school requirement as it is and schools are concerned that they won't be able to meet the curriculum requirements
- Many schools can't afford paper, books and school resources

- Many headteachers and staff are working extra hours on their good will and there are real concerns for staff welfare
- There isn't enough budget to employ classroom assistants / one-to-one assistants
- The Additional Learning Needs (ALN) budget received from the Council do not meet the costs for one-to-one assistants
- The 2.5% cut in budget doesn't take into account the increase in teachers salary already taken from schools - Only 24% of trade union represented members stated that they could afford the 2023/24 pay award from existing budgets and would have to make cuts
- There is a real concern for health and safety of some sites
- Many are unsure of some of the partnership agreements and if they are getting value for money for the provision
- Allow schools to set a licensed deficit and urge those who have not to rethink position
- Schools simply do not have the resources they need at the moment, further cuts will be devastating to schools and their learners, with implications for the wider communities for generations to come

The final two letters received represented a Town & Community Council and their main comments are noted below:

- Dissatisfaction with the proposed council tax increase as initial reports from 2023 budget was that an increase in the region of 6% was expected
- The road network needs further investment due to many road closures throughout the year
- There has been many consultations held by the council over the year but nothing to say what happened as a result of the consultations
- Concerns about the future existence of the tourism department

Further comments relating to other potential savings were also provided in the open-ended responses to question 7 (2.1.6 above) alongside 10 email responses. Some of the suggestions are listed below:

- Reduce the number of councillors
- Undertake a staff restructure
- Work with other councils / amalgamate with other councils
- Change building suppliers
- Reduce the number of green bin collections during winter
- Close the half empty schools
- Ensure staff are working and efficient
- Introduce Parking Permits to densely populated areas
- Introduce a holiday tax
- Work with more voluntary organisations

This page is intentionally left blank

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>		
<b>Report to:</b>	<b>EXECUTIVE COMMITTEE</b>	
<b>Date:</b>	<b>29 FEBRUARY 2024</b>	
<b>Subject:</b>	<b>CAPITAL BUDGET 2024/25</b>	
<b>Portfolio Holder(s):</b>	<b>ROBIN WILLIAMS – DEPUTY LEADER &amp; PORTFOLIO HOLDER – FINANCE</b>	
<b>Head of Service / Director:</b>	<b>MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER</b>	
<b>Report Author:</b>	<b>MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER</b>	
<b>Tel:</b>	<b>01248 762601</b>	
<b>E-mail:</b>	<b>rmjfi@ynysmon.gov.wales</b>	
<b>Local Members:</b>	<b>n/a</b>	
<b>A –Recommendation/s and reason/s</b>		
<p>The Executive is required to propose a capital budget for 2024/25, which will be presented to the full Council for approval at its meeting on 7 March 2024.</p> <p><b>RECOMMENDATIONS</b></p> <p>To recommend to the full Council the following capital programme for 2024/25:-</p>		
	<b>Ref</b>	<b>£'000</b>
2023/24 Schemes Brought Forward		6,102
Refurbishment / Replacement of Assets		4,856
Communities for Learning Programme		2,878
Housing Revenue Account (HRA)		30,002
<b>Total Recommended Capital Programme 2024/25</b>		<b>43,838</b>
<b>Funded By:-</b>		
General Capital Grant		2,222
Supported Borrowing General Fund		2,164
Decommitted Scheme Funding b/f from 2023/24		470
Communities for Learning – Unsupported Borrowing		2,700
Capital receipts Reserve		178
HRA Reserve and In Year Surplus		17,315
HRA External Grants		11,751
HRA Unsupported Borrowing		936
2023/24 Funding Brought Forward		6,102
<b>2024/25 Total Capital Funding</b>		<b>43,838</b>
<b>B – What other options did you consider and why did you reject them and/or opt for this option?</b>		
<p>A number of additional schemes are to be considered in the capital programme, with the main driving factor in funding being affordability and the maximisation of external grant funding.</p>		
<b>C – Why is this a decision for the Executive?</b>		
<p>It is a matter for the Executive to propose the annual capital budget.</p>		

<b>CH – Is this decision consistent with policy approved by the full Council?</b>		
Yes		
<b>D – Is this decision within the budget approved by the Council?</b>		
Not applicable		
<b>Dd – Assessing the potential impact (if relevant):</b>		
1	How does this decision impact on our long term needs as an Island?	The capital budget ensures funding to maintain the Council's assets, and forms part of the strategy to meet the objectives set out in the Council's Corporate Plan.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	Continued maintenance of the Council's assets will prevent larger costs in the future.
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom	Capital projects in respect of Communities for Learning and the HRA are aligned to priorities set out by the Welsh Government.
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	As part of the consultation process on the Council's Corporate Plan for 2023 – 2028, citizens were asked a number of questions relating to capital expenditure and their priorities.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	The capital budget ensures funding to maintain the Council's assets and, forms part of the strategy to meet the objectives set out in the Council's corporate plan.
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	None Identified.
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	No impact identified.
<b>E - Who did you consult?</b>		<b>What did they say?</b>
1	Chief Executive / Leadership Team (LT) (mandatory)	Options were considered by the Leadership Team at its meeting on 24 January 2024.
2	Finance / Section 151 (mandatory)	Author of the report.
3	Legal / Monitoring Officer (mandatory)	The Director of Function - Council Business attended the Leadership Team meeting on 24 January 2024.
4	Human Resources (HR)	The Head of Profession – HR and Transformation attended the Leadership Team meeting on 24 January 2024.



5	Property	The Head of Service – Highways, Waste and Property attended the Leadership Team meeting on 24 January 2024.
6	Information Communication Technology (ICT)	The comments of the Head of ICT have been incorporated into the report.
7	Scrutiny	TBC
8	Local Members	Proposals applicable to all Members.
9	Any external bodies / other/s	Not applicable
<b>F - Appendices:</b>		
Appendix 1 – Report on the Capital Budget 2024/25 Appendix 2 – Final Proposed Capital Budget 2024/25		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
Capital Strategy Report – full Council 9 March 2023 Capital Budget 2023/24 – full Council 9 March 2023 Quarterly Capital Monitoring Reports 2023/24 – Executive 26 September 2023, 28 November 2023		

## 1. INTRODUCTION

1.1. The Capital Budget for 2024/25, set out below, takes into account the principles set out in the Capital Strategy which was approved by the Executive and the full Council in March 2023. The Capital Strategy has been updated to reflect the proposed capital budget for 2024/25, but the principles of the strategy remain unchanged.

## 2. PRINCIPLES OF THE CAPITAL STRATEGY

2.1. The Capital Strategy for 2023/24 was approved by the Executive and full Council and will be updated for 2024/25 to reflect the new funding levels, any changes in the Council's priorities and any changes set out in the Council's Treasury Management Strategy for 2024/25, which will be approved by the Executive and full Council in March 2024.

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

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

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

- That the Communities for Learning programme is considered separately from the remainder of the general capital programme.
- That the replacement of existing and obsolete assets has the benefit of reducing revenue costs, and that the capital programme will allocate funding to replace or improve existing IT equipment, vehicles and Council buildings.
- It is a statutory requirement to offer disabled facilities grants, and that the capital programme will allocate funding annually to comply with this requirement.
- A sum will be allocated annually to fund road improvement works. The sum will depend on the amount required to achieve any minimum contract values, the level of external and internal funding available and an assessment of the state of repair of the Authority's roads.
- Projects that require match funding will be assessed on a case by case basis, with any decision to allocate funding being based on how the project fits into the Council's corporate priorities, any ongoing revenue implications and the ratio of Council funding to external funding.
- Projects funded from unsupported borrowing will only be undertaken if the reduction in revenue costs or increased income generated is sufficient to meet any additional capital financing costs.

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

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

### 3. FUNDING THE CAPITAL PROGRAMME 2024/25

3.1. The funds available to finance the capital programme for 2024/25 are shown in Table 1 below. It should be noted that the figure for the General Capital Grant and Supported Borrowing are based on the provisional Local Government settlement figures. The final figure will not be known until the final settlement figures are announced on 28 February 2024. The level of funding under both headings have remained fairly constant over a number of years and are not anticipated to change significantly between the provisional and final settlement.

**Table 1**  
**Anticipated Capital Funding Available for 2024/25**

Source of Funding	£'000	£'000
<b>General Fund Capital Programme</b>		
Schemes / Funding brought forward from 2023/24	6,102	
General Capital Grant 2024/25	2,222	
Decommitted Scheme Funding b/f from 2023/24	470	
Supported Borrowing	2,164	
<b>Funding for the General Capital Programme (Council Fund)</b>		<b>10,958</b>
<b>Communities for Learning</b>		
Unsupported Borrowing	2,700	
Capital Receipts Reserve	178	
<b>Funding for Communities for Learning</b>		<b>2,878</b>
<b>Housing Revenue Account (HRA)</b>		
HRA Reserve	8,160	
HRA - In-year Surplus	9,155	
Welsh Government Major Repairs Allowance & Other external grants	11,751	
HRA Unsupported Borrowing	936	
<b>Funding for HRA</b>		<b>30,002</b>
<b>Total Capital Funding 2024/25</b>		<b>43,838</b>

3.2. The General Capital Funding received from Welsh Government for 2024/25 is £12k higher than the allocation for 2023/24 and is in line with the funding levels seen over the past 12 years. There has been no significant increase in the funding, despite the fact that the value of the funding has been significantly eroded by inflation over this period.

- 3.3. Although the Council does have unsold schools, the capital receipts generated has been allocated to fund the replacement school. The Council does hold a small number of assets which it wishes to dispose of, but they are not considered to be very marketable properties and no sales are anticipated in 2024/25. If any sales occur, and they generate a capital receipt, the capital receipt would be available as an additional source of funding in 2025/26.
- 3.4. In previous years, sums have also been held as earmarked reserves to fund individual projects. The Council has used £3.78m of reserves to balance the 2023/24 revenue budget, with a further planned use of £4.4m in 2024/25. This has diminished the Council's reserves to the minimum level and does not allow for the use of reserves as capital funding in 2024/25.
- 3.5. The HRA funding is earmarked for HRA projects and cannot be used for any other purpose. It is forecast that the balance of the HRA reserve will be in the region of £9.3m by the end of this financial year. The HRA Business Plan sets a target of 5% of income receivable (circa £1.2m) as the minimum HRA reserve balance, which allows the remainder to be used as capital funding in 2024/25.

#### 4. PROPOSED CAPITAL PROGRAMME 2024/25

##### 4.1. 2023/24 Schemes Carried Forward

The capital budget monitoring report to the end of quarter 3 of 2023/24 estimates that the capital programme will underspend by £9.236m, although the final position may change during the final quarter. Once the final position in respect of 2023/24 is known, this will be reported to the Executive alongside a request to approve the carrying forward of funding from 2023/24 to 2024/25.

Committed schemes that are due to run for a number of years from the current year and beyond have been factored into this programme due to new budgets being required.

**Table 2**  
**2023/24 Schemes Brought Forward**

2023/24 Schemes Brought Forward	2024/25 £'000
Holyhead Regeneration (THI Phase II)	1,207
Levelling Up Funding (various projects)	4,895
<b>Total Schemes Brought Forward</b>	<b>6,102</b>

##### 4.2. Refurbishment / Replacing Existing Assets

Each year, it is necessary to invest in the Council's assets to prolong their life and ensure that they are fit for purpose, or to replace obsolete assets. The following sums are proposed:-

- **Refurbishment of Schools** – The cost of clearing the backlog maintenance in the Council's 46 schools is considerable and cannot be fully funded in the short to medium term. The Council's school modernisation programme may reduce some of this cost, but a large number of the existing schools will remain in use in the long term. A sum of £1m is to be allocated in order to undertake the most urgent works which the Council's Property Team have identified and prioritised. The funding will also provide a source for match funding for Low Carbon Heat grants which the Council has applied for.

- **Refurbishment of Non School Buildings** – Again, a backlog of work has been identified in the Council’s offices, residential homes, day care facilities, libraries and leisure centres and there is insufficient funding to undertake this work in any one year. £600k has been proposed, and this level of funding will be sufficient to meet the cost of the majority of the priority work required to be undertaken.
- **Highways Resurfacing** – The Annual Status and Option Report confirms that an annual budget of £2m is required in order to sustain the Steady State (Preventative) condition of our roads. A budget below this required amount would inevitably result in less efficiency and reduced value for money, with additional costs to the Highway Authority with more money being spent on emergency works and also the risk of increased third party claims being made against the Authority. The budget allocation of £2m will also be utilised to provide match funding for small scale flooding relief schemes where required, as these schemes do not only help to prevent flooding but they also protect the road network from damage when flooding occurs.
- **Vehicles** – The Council is committed to becoming a carbon neutral organisation by 2030 and, in order to achieve that commitment, the Council needs to reduce the number of petrol and diesel powered vehicles. However, achieving this within the current funding limitations will be challenging and the Council will be reliant on additional grant funding or will have to change from direct purchase to leasing in order to achieve the change. The Service has identified a new gritter and replacement minibuses for Môn Community Transport as the priority. £206k is allocated in the proposed budget to purchase one new gritter and to begin the MCT minibus replacement programme.
- **IT Assets** – Continued investment is required to maintain the Council’s core infrastructure and to replace devices used by staff to access systems. £300k has been identified as the sum required to maintain the core infrastructure and to replace desktop devices.

#### 4.3. Disabled Facilities Grants

The demand for major adaptations to enable disabled residents to continue to live at home continues to be high. Funding of £500k for adapting Council houses is included in the HRA planned maintenance budget, however, the Council must also fund work to private homes as well. It is anticipated that around £600k of commitments exist in 2024/25 in addition to any new applications that will be received during 2024/25. The proposal is to maintain the annual budget allocation of £750k for 2024/25.

### 5. OTHER BIDS FOR ADDITIONAL ONE-OFF FUNDING

- 5.1. Services were invited to submit bids for capital funding for 2024/25 to fund the cost of one-off projects. A total of 13 bids, amounting to £1.793m were received. Having considered the bids, and given the limited funding available, none of the bids were considered to be necessary to prevent the risk of service failure at this point. However, this may change in future years.
- 5.2. A small number of the bids could be funded through unsupported borrowing, as they have the potential to generate sufficient revenue savings or additional income that would be sufficient to meet the additional annual capital financing costs. Services may present a business case for consideration in 2024/25 which will be considered by the Executive as and when the cases are presented.

## 6. COMMUNITIES FOR LEARNING PROGRAMME

- 6.1. The Council's modernisation of the school estate, through the Welsh Government's Communities for Learning programme continues, although currently the programme only includes the completion of the Ysgol Y Graig extension.
- 6.2. A bid for the next tranche of funding will be submitted in due course but, for 2024/25, only the Ysgol Y Graig scheme is included in the budget for 2024/25. It is estimated that the remainder of the scheme will cost £3.030m (2024/25 £2.878m and 2025/26 £0.152m) and this will be funded in 2024/25 through unsupported borrowing £2.7m and the use of capital receipts from the sale of Ysgol Talwrn, £0.178m.

## 7. HOUSING REVENUE ACCOUNT

- 7.1. The Housing Revenue Account (HRA) is a ring-fenced account in terms of both revenue and capital expenditure. The proposed programme for 2024/25 will see the continued investment in the existing stock to ensure continued compliance with the WHQS standards, with £13m being invested. A further £17.002m will be spent on developing new properties and in re-purchasing former right to buy properties.
- 7.2. The programme will be funded from: the HRA Reserve (£8.160m), the revenue surplus generated in 2024/25 (£9.155m), Unsupported Borrowing (£0.936m) and Welsh Government grants (£11.751m).
- 7.3. The long term investment programme, and how it will be funded over the next 30 years, will be set out in the Housing Revenue Account business plan, which will be presented to the Executive in due course.

## 8. SUMMARY RECOMMENDED CAPITAL PROGRAMME 2024/25

- 8.1. The recommended capital programme for 2024/25 is summarised in Table 3 below, and analysed in further detail in Appendix 2:-

**Table 3**  
**Summary Recommended Capital Programme 2024/25**

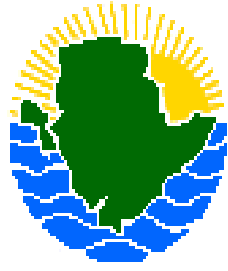
	Ref	£'000
2023/24 Schemes Brought Forward	Para 4.1	6,102
Refurbishment / Replacement of Assets	Para 4.2 & 4.3	4,856
Communities for Learning	Para 6	2,878
Housing Revenue Account	Para 7	30,002
<b>Total Recommended Capital Programme 2024/25</b>		<b>43,838</b>
<b>Funded By:</b>		
General Capital Grant		2,222
Supported Borrowing General		2,164
Decommitted Scheme Funding b/f from 2023/24		470
Communities for Learning Unsupported Borrowing		2,700
Capital receipts Reserve		178
HRA Reserve & In Year Surplus		17,315
HRA External Grants		11,751
HRA Unsupported Borrowing		936
2023/24 Funding Brought Forward		6,102
<b>2024/25 Total Capital Funding</b>		<b>43,838</b>

## FINAL PROPOSED CAPITAL BUDGET 2024/25

Scheme	Budget £'000	External Grants £'000	General Capital Grant £'000	Supported Borrowing £'000	Unsupported Borrowing £'000	HRA Reserve £'000	Capital Receipts Reserve £'000
<b>2023/24 Committed schemes b/f</b>							
Holyhead Regeneration (THI Phase II)	1,207	1,207					
Levelling Up Funding (various projects)	4,895	4,895					
<b>Total 2023/24 Committed Schemes</b>	<b>6,102</b>	<b>6,102</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Refurbishment / Replacement of Assets</b>							
Disabled Facilities Grant	750		750				
Refurbishment of Schools	1,000			1,000			
Refurbishment of Non School Buildings	600			600			
Highways Resurfacing	2,000		1,472	528			
Vehicles	206			206			
IT Assets	300			300			
<b>Total Refurbishment / Replacement of Assets</b>	<b>4,856</b>		<b>2,222</b>	<b>2,634</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Communities for Learning Programme</b>							
Ysgol y Graig	2,878				2,700		178
<b>Total Communities for Learning Programme</b>	<b>2,878</b>				<b>2,700</b>		<b>178</b>
<b>TOTAL GENERAL FUND</b>	<b>13,836</b>	<b>6,102</b>	<b>2,222</b>	<b>2,634</b>	<b>2,700</b>	<b>0</b>	<b>178</b>

Scheme	Budget £'000	External Grants £'000	General Capital Grant £'000	Supported Borrowing £'000	Unsupported Borrowing £'000	HRA Reserve £'000	Capital Receipts Reserve £'000
<b>Housing Revenue Account</b>							
WHQS Planned Maintenance Programme	13,000	3,646				9,354	
New Developments & Re-Purchase of Right to Buy Properties	17,002	8,105			936	7,961	
<b>TOTAL HOUSING REVENUE ACCOUNT</b>	<b>30,002</b>	<b>11,751</b>			<b>936</b>	<b>17,315</b>	
<b>TOTAL CAPITAL PROGRAMME 2024/25</b>	<b>43,838</b>	<b>17,853</b>	<b>2,222</b>	<b>2,634</b>	<b>3,636</b>	<b>17,315</b>	<b>178</b>





CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

**PENDERFYNIAD DRAFFT  
AR OSOD  
Y DRETH GYNGOR  
2024/25**

-----

**DRAFT RESOLUTION  
ON SETTING  
THE COUNCIL TAX  
2024/25**

## DRAFT COUNCIL TAX RESOLUTION

### 1. RESOLVED

- (a) Pursuant to the recommendations of the Executive, to adopt the 2024/25 Budget at Section 5 as a Budget Strategy within the meaning given by the Constitution, and to affirm that it becomes part of the budget framework with the exception of figures described as current.
- (b) Pursuant to the recommendations of the Executive, to adopt a revenue budget for 2024/25 as shown at 4.2 within Section 4 of the 2024/25 Budget Report Appendix 1 and Appendix 2.
- (c) Pursuant to the recommendations of the Executive, to adopt a capital budget as shown in the Capital Budget Report 2024/25 report.
- (ch) To delegate to the Director of Function (Resources)/Section 151 Officer the power to make adjustments between headings in the Final Budget Proposal 2024/25 at Appendix 2 in order to give effect to the Council's decisions. In addition, to delegate to Director of Function (Resources)/Section 151 Officer the power to transfer up to £50k per item from the general contingency. Any item in excess of £50k will require the approval of the Executive before any transfer from the general contingency is made.
- (d) To delegate to the Executive Committee, for the financial year 2024/25, the powers to transfer budgets between headings as follows:-
  - (i) unlimited powers to spend each budget heading in Appendix 2 Final Budget Proposal 2024/25 against the name of each service, on the service to which it relates;
  - (ii) powers to approve the use of service and earmarked reserves to fund one-off spending proposals that contribute to the delivery of the Council's objectives and improve services;
  - (iii) powers to vire from new or increased sources of income.
- (dd) To delegate to the Executive Committee, in respect of the financial year 2024/25 and on the advice of the Director of Function (Resources) – Section 151 Officer, the power to release up to £250k from general balances to deal with priorities arising during the year.
- (e) To delegate to the Executive Committee in respect of the period to 31 March 2025, the following powers:-
  - (i) powers to make new commitments from future years' revenue budgets up to amount identified under New Priorities in the Medium Term Financial Plan;
  - (ii) the power and the duty to make plans for achievement of revenue budget savings implied by the Medium Term Financial Plan;
  - (iii) powers to transfer budgets between capital projects in the Capital Budget Report 2024/25 report and to commit resources in following years and consistent with the budget framework.
- (f) To set and approve the prudential and treasury indicators which are estimates and limits for 2024/25 and onwards as shown in the report on the Treasury Management Strategy Statement 2024/25.
- (ff) To approve the Treasury Management Strategy Statement for 2024/25 and the Capital Strategy 2024/25.
- (g) To confirm that items 1(b) to (ff) become part of the budget framework.

2. **RESOLVED** to adopt and affirm for the purposes of the financial year 2024/25 the decision of the County Council on 10 March 1998 to set the discount level applicable to the prescribed Class A and prescribed Class B of dwellings under Section 12 of the Local Government Finance Act 1992 (as amended), as described by the Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations 1998, as follows:-

Prescribed Class A	Nil Discount
Prescribed Class B	Nil Discount

3. **RESOLVED** to adopt and affirm for the purposes of the financial year 2024/25 the decision of the County Council on 6 March 2007 to set the discount level applicable to the prescribed Class C of dwellings under Section 12 of the Local Government Finance Act 1992 (as amended), as described by the Local Authorities (Calculation of Tax Base) and Council Tax (Prescribed Classes of Dwellings) (Wales) (Amendment) Regulations 2004 as follows:-

Prescribed Class C Nil Discount

4. **RESOLVED** to disapply any discount(s) granted to long-term empty dwellings and dwelling occupied periodically (usually known as second homes) and to vary the full Council's decision made on 28 February 2018 and apply for the financial year 2024/25 a higher amount of Council Tax (called a Council Tax Premium) of 100% of the standard rate of Council Tax for long-term empty dwellings or for dwellings occupied periodically (usually known as second homes) to apply a higher amount of Council Tax (called a Council tax Premium) of 100% under Sections 12A and 12B of the Local Government Finance Act 1992 as inserted by Section 139 of the Housing (Wales) Act 2014.
5. That it be noted that at its meeting on 28 February 1996 the Council resolved not to treat any expenses incurred by the Council in part of its area or in meeting any levy or special levy as special expenses and that the resolutions remain in force until expressly rescinded.
6. That it is noted that a resolution of the Executive on 28 November 2023 approved the amount calculated by the Isle of Anglesey County Council for its council tax base for 2024/25 and to further note that the full Council in its meeting on the 11 December 2018 approved that the local Council Tax Reduction Scheme will continue unchanged for subsequent years unless substantially amended. It is also noted that the full Council on 28 February 2018 adopted and approved a local Council Tax Discretionary Policy under Section 13A of the Local Government Finance Act 1992, delegating to the Executive the power to revoke, re-enact and/or amend the Policy. The Executive having last amended the Policy on 03 March 2022
7. At its meeting on 28 November 2023, the Executive, 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 Authority (Calculation of Taxbase) (Wales) (Amendment) Regulations 2016 resolved to approve the amounts calculated by the Isle of Anglesey County Council as its tax base and for the parts of the area, for the year 2024/25, as follows:-
- a) **33,170.03** being the amount approved by the Executive as the Isle of Anglesey County Council's council tax base for the year.
- b) The parts of the Council's area, being the amounts calculated by the Executive as the amounts of the Isle of Anglesey County Council's council tax base for the year for dwellings in those parts of its area to which one or more special items relate, are as follows:-

Community/Town Council Areas	Tax Base 2024/25
Amlwch	1,553.58
Beaumaris	1,128.28
Holyhead	4,122.23
Llangefni	2,104.10
Menai Bridge	1,503.94
Llanddaniel-fab	376.52
Llanddona	417.01
Cwm Cadnant	1,231.69
Llanfair Pwllgwyngyll	1,342.23
Llanfihangel Ysgeifiog	714.29
Bodorgan	483.02
Llangoed	698.88
Llangristiolus & Cerrigceinwen	645.03
Llanidan	436.75
Rhosyr	1,061.51
Penmynydd	252.52
Pentraeth	603.97
Moelfre	692.31

<b>Community/Town Council Areas</b>	<b>Tax Base 2024/25</b>
Llanbadrig	708.58
Llanddyfnan	523.53
Llaneilian	621.16
Llanerch-y-medd	541.56
Llaneugrad	194.77
Llanfair Mathafarn Eithaf	2,038.26
Cylch y Garn	427.15
Mechell	592.04
Rhos-y-bol	488.24
Aberffraw	316.77
Bodedern	423.75
Bodffordd	424.81
Trearddur	1,492.47
Tref Alaw	272.44
Llanfachraeth	238.36
Llanfaelog	1,439.20
Llanfaethlu	279.29
Llanfair-yn-Neubwll	573.51
Valley	1,052.48
Bryngwran	372.60
Rhoscolyn	399.54
Trewalchmai	381.66
<b>Total Taxbase</b>	<b>33,170.03</b>

8. That the following amounts be now calculated by the Council for the year 2024/25, in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-
- a) £244,076,190 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (d) of the Act.
  - b) £62,342,087 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) and (c) of the Act.
  - c) £181,734,103 being the amount by which the aggregate at 8(a) above exceeds the aggregate at 8(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year.
  - ch) £127,586,070 being the aggregate of the sums which the Council estimates will be payable for the year into its council fund in respect of redistributed non-domestic rates, revenue support grant and specific grant, reduced by any amount calculated in accordance with Section 33(3) of the Act.
  - d) £1,632.44 being the amount at 8(c) above less the amount at 8(ch) above, all divided by the amount at 7(a) above, calculated by the Executive, in accordance with Section 33(1) of the Act, as the basic amount of its council tax for the year.
  - dd) £1,994,795 being the aggregate amount of all special items referred to in Section 34(1) of the Act.
  - e) £ 1,572.30 being the amount at 8(d) above less the result given by dividing the amount at 8(dd) above by the amount at 7(a) above, calculated by the Executive, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates.

f)

Community/Town Council areas		Band D equivalent per area including Isle of Anglesey Council and Community/Town Council elements
Amlwch	£	1,646.91
Beaumaris	£	1,599.75
Holyhead	£	1,737.45
Llangefni	£	1,722.33
Menai Bridge	£	1,664.46
Llanddaniel-fab	£	1,608.57
Llanddona	£	1,592.64
Cwm Cadnant	£	1,600.02
Llanfair Pwllgwyngyll	£	1,625.13
Llanfihangel Ysgeifiog	£	1,606.95
Bodorgan	£	1,599.66
Llangoed	£	1,607.67
Llangristiolus & Cerrig Ceinwen	£	1,584.72
Llanidan	£	1,610.01
Rhosyr	£	1,600.56
Penmynydd	£	1,607.58
Pentraeth	£	1,601.91
Moelfre	£	1,591.83
Llanbadrig	£	1,618.47
Llanddyfnan	£	1,583.27
Llaneilian	£	1,606.95
Llanerch-y-medd	£	1,612.26
Llaneugrad	£	1,592.82
Llanfair Mathafarn Eithaf	£	1,604.70
Cylch y Garn	£	1,591.02
Mechell	£	1,590.93
Rhos-y-bol	£	1,588.68
Aberffraw	£	1,610.19
Bodedern	£	1,605.33
Bodffordd	£	1,602.90
Trearddur	£	1,596.42
Tref Ailaw	£	1,597.05
Llanfachraeth	£	1,614.24
Llanfaelog	£	1,602.90
Llanfaethlu	£	1,593.81
Llanfair-yn-Neubwll	£	1,605.42
Valley	£	1,616.94
Bryngwran	£	1,611.18
Rhoscolyn	£	1,592.28
Trewalchmai	£	1,609.02

being the amount given by adding to the amount at 8(e) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 8(b) above, calculated by the Executive in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one of more special items relate.

## Valuation Bands

being the amounts given by multiplying the amounts at 8(e) and 8(f) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Executive, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

		Council Tax per Band, per Area, which includes the Isle of Anglesey County Council and Community/Town Council elements/precepts								
		A	B	C	D	E	F	G	H	I
Amlwch	£	1,097.94	1,280.93	1,463.92	1,646.91	2,012.89	2,378.87	2,744.85	3,293.82	3,842.79
Beaumaris	£	1,066.50	1,244.25	1,422.00	1,599.75	1,955.25	2,310.75	2,666.25	3,199.50	3,732.75
Holyhead	£	1,158.30	1,351.35	1,544.40	1,737.45	2,123.55	2,509.65	2,895.75	3,474.90	4,054.05
Llangefni	£	1,148.22	1,339.59	1,530.96	1,722.33	2,105.07	2,487.81	2,870.55	3,444.66	4,018.77
Menai Bridge	£	1,109.64	1,294.58	1,479.52	1,664.46	2,034.34	2,404.22	2,774.10	3,328.92	3,883.74
Llanddaniel-fab	£	1,072.38	1,251.11	1,429.84	1,608.57	1,966.03	2,323.49	2,680.95	3,217.14	3,753.33
Llanddona	£	1,061.76	1,238.72	1,415.68	1,592.64	1,946.56	2,300.48	2,654.40	3,185.28	3,716.16
Cwm Cadnant	£	1,066.68	1,244.46	1,422.24	1,600.02	1,955.58	2,311.14	2,666.70	3,200.04	3,733.38
Llanfair Pwllgwyngyll	£	1,083.42	1,263.99	1,444.56	1,625.13	1,986.27	2,347.41	2,708.55	3,250.26	3,791.97
Llanfihangel Ysgeifiog	£	1,071.30	1,249.85	1,428.40	1,606.95	1,964.05	2,321.15	2,678.25	3,213.90	3,749.55
Bodorgan	£	1,066.44	1,244.18	1,421.92	1,599.66	1,955.14	2,310.62	2,666.10	3,199.32	3,732.54
Llangoed	£	1,071.78	1,250.41	1,429.04	1,607.67	1,964.93	2,322.19	2,679.45	3,215.34	3,751.23
Llangristiolus & Cerrig Ceinwen	£	1,056.48	1,232.56	1,408.64	1,584.72	1,936.88	2,289.04	2,641.20	3,169.44	3,697.68
Llanidan	£	1,073.34	1,252.23	1,431.12	1,610.01	1,967.79	2,325.57	2,683.35	3,220.02	3,756.69
Rhosyr	£	1,067.04	1,244.88	1,422.72	1,600.56	1,956.24	2,311.92	2,667.60	3,201.12	3,734.64
Penmynydd	£	1,071.72	1,250.34	1,428.96	1,607.58	1,964.82	2,322.06	2,679.30	3,215.16	3,751.02
Pentraeth	£	1,067.94	1,245.93	1,423.92	1,601.91	1,957.89	2,313.87	2,669.85	3,203.82	3,737.79
Moelfre	£	1,061.22	1,238.09	1,414.96	1,591.83	1,945.57	2,299.31	2,653.05	3,183.66	3,714.27
Llanbadrig	£	1,078.98	1,258.81	1,438.64	1,618.47	1,978.13	2,337.79	2,697.45	3,236.94	3,776.43
Llanddyfnan	£	1,062.18	1,239.21	1,416.24	1,593.27	1,947.33	2,301.39	2,655.45	3,186.54	3,717.63
Llaneilian	£	1,071.30	1,249.85	1,428.40	1,606.95	1,964.05	2,321.15	2,678.25	3,213.90	3,749.55
Llanerch-y-medd	£	1,074.84	1,253.98	1,433.12	1,612.26	1,970.54	2,328.82	2,687.10	3,224.52	3,761.94
Llaneugrad	£	1,061.88	1,238.86	1,415.84	1,592.82	1,946.78	2,300.74	2,654.70	3,185.64	3,716.58
Llanfair Mathafarn Eithaf	£	1,069.80	1,248.10	1,426.40	1,604.70	1,961.30	2,317.90	2,674.50	3,209.40	3,744.30
Cylch y Garn	£	1,060.68	1,237.46	1,414.24	1,591.02	1,944.58	2,298.14	2,651.70	3,182.04	3,712.38
Mechell	£	1,060.62	1,237.39	1,414.16	1,590.93	1,944.47	2,298.01	2,651.55	3,181.86	3,712.17
Rhos-y-bol	£	1,059.12	1,235.64	1,412.16	1,588.68	1,941.72	2,294.76	2,647.80	3,177.36	3,706.92
Aberffraw	£	1,073.46	1,252.37	1,431.28	1,610.19	1,968.01	2,325.83	2,683.65	3,220.38	3,757.11
Bodedern	£	1,070.22	1,248.59	1,426.96	1,605.33	1,962.07	2,318.81	2,675.55	3,210.66	3,745.77
Bodffordd	£	1,068.60	1,246.70	1,424.80	1,602.90	1,959.10	2,315.30	2,671.50	3,205.80	3,740.10
Trearddur	£	1,064.28	1,241.66	1,419.04	1,596.42	1,951.18	2,305.94	2,660.70	3,192.84	3,724.98
Tref Alaw	£	1,064.70	1,242.15	1,419.60	1,597.05	1,951.95	2,306.85	2,661.75	3,194.10	3,726.45
Llanfachraeth	£	1,076.16	1,255.52	1,434.88	1,614.24	1,972.96	2,331.68	2,690.40	3,228.48	3,766.56
Llanfaelog	£	1,068.60	1,246.70	1,424.80	1,602.90	1,959.10	2,315.30	2,671.50	3,205.80	3,740.10
Llanfaethlu	£	1,062.54	1,239.63	1,416.72	1,593.81	1,947.99	2,302.17	2,656.35	3,187.62	3,718.89
Llanfair-yn-Neubwll	£	1,070.28	1,248.66	1,427.04	1,605.42	1,962.18	2,318.94	2,675.70	3,210.84	3,745.98
Valley	£	1,077.96	1,257.62	1,437.28	1,616.94	1,976.26	2,335.58	2,694.90	3,233.88	3,772.86
Bryngwran	£	1,074.12	1,253.14	1,432.16	1,611.18	1,969.22	2,327.26	2,685.30	3,222.36	3,759.42
Rhoscolyn	£	1,061.52	1,238.44	1,415.36	1,592.28	1,946.12	2,299.96	2,653.80	3,184.56	3,715.32
Trewalchmai	£	1,072.68	1,251.46	1,430.24	1,609.02	1,966.58	2,324.14	2,681.70	3,218.04	3,754.38

9. That it be noted that for the year 2024/25, the Police and Crime Commissioner North Wales has stated the following amounts in a precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

**Precepting Authority**

**Valuation Bands**

		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>I</b>
Police and Crime Commissioner North Wales	£	233.10	271.95	310.80	349.65	427.35	505.05	582.75	699.30	815.85

10. That, having calculated the aggregate in each case of the amounts at 8(ff) and 9 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2024/25 for each of the categories of dwellings shown below:-

Council Tax per Band, per Area, which includes the Isle of Anglesey County Council element, Community/Town Council Precepts and North Wales Police Precept										
		A	B	C	D	E	F	G	H	I
Amlwch	£	1,331.04	1,552.88	1,774.72	1,996.56	2,440.24	2,883.92	3,327.60	3,993.12	4,658.64
Beaumaris	£	1,299.60	1,516.20	1,732.80	1,949.40	2,382.60	2,815.80	3,249.00	3,898.80	4,548.60
Holyhead	£	1,391.40	1,623.30	1,855.20	2,087.10	2,550.90	3,014.70	3,478.50	4,174.20	4,869.90
Llangefni	£	1,381.32	1,611.54	1,841.76	2,071.98	2,532.42	2,992.86	3,453.30	4,143.96	4,834.62
Menai Bridge	£	1,342.74	1,566.53	1,790.32	2,014.11	2,461.69	2,909.27	3,356.85	4,028.22	4,699.59
Llanddaniel-fab	£	1,305.48	1,523.06	1,740.64	1,958.22	2,393.38	2,828.54	3,263.70	3,916.44	4,569.18
Llanddona	£	1,294.86	1,510.67	1,726.48	1,942.29	2,373.91	2,805.53	3,237.15	3,884.58	4,532.01
Cwm Cadnant	£	1,299.78	1,516.41	1,733.04	1,949.67	2,382.93	2,816.19	3,249.45	3,899.34	4,549.23
Llanfair Pwllgwyngyll	£	1,316.52	1,535.94	1,755.36	1,974.78	2,413.62	2,852.46	3,291.30	3,949.56	4,607.82
Llanfihangel Ysgeifiog	£	1,304.40	1,521.80	1,739.20	1,956.60	2,391.40	2,826.20	3,261.00	3,913.20	4,565.40
Bodorgan	£	1,299.54	1,516.13	1,732.72	1,949.31	2,382.49	2,815.67	3,248.85	3,898.62	4,548.39
Llangoed	£	1,304.88	1,522.36	1,739.84	1,957.32	2,392.28	2,827.24	3,262.20	3,914.64	4,567.08
Llangristiolus & Cerrig Ceinwen	£	1,289.58	1,504.51	1,719.44	1,934.37	2,364.23	2,794.09	3,223.95	3,868.74	4,513.53
Llanidan	£	1,306.44	1,524.18	1,741.92	1,959.66	2,395.14	2,830.62	3,266.10	3,919.32	4,572.54
Rhosyr	£	1,300.14	1,516.83	1,733.52	1,950.21	2,383.59	2,816.97	3,250.35	3,900.42	4,550.49
Penmynydd	£	1,304.82	1,522.29	1,739.76	1,957.23	2,392.17	2,827.11	3,262.05	3,914.46	4,566.87
Pentraeth	£	1,301.04	1,517.88	1,734.72	1,951.56	2,385.24	2,818.92	3,252.60	3,903.12	4,553.64
Moelfre	£	1,294.32	1,510.04	1,725.76	1,941.48	2,372.92	2,804.36	3,235.80	3,882.96	4,530.12
Llanbadrig	£	1,312.08	1,530.76	1,749.44	1,968.12	2,405.48	2,842.84	3,280.20	3,936.24	4,592.28
Llanddyfnan	£	1,295.28	1,511.16	1,727.04	1,942.92	2,374.68	2,806.44	3,238.20	3,885.84	4,533.48
Llaneilian	£	1,304.40	1,521.80	1,739.20	1,956.60	2,391.40	2,826.20	3,261.00	3,913.20	4,565.40
Llanerch-y-medd	£	1,307.94	1,525.93	1,743.92	1,961.91	2,397.89	2,833.87	3,269.85	3,923.82	4,577.79
Llaneugrad	£	1,294.98	1,510.81	1,726.64	1,942.47	2,374.13	2,805.79	3,237.45	3,884.94	4,532.43
Llanfair Mathafarn Eithaf	£	1,302.90	1,520.05	1,737.20	1,954.35	2,388.65	2,822.95	3,257.25	3,908.70	4,560.15
Cylch y Garn	£	1,293.78	1,509.41	1,725.04	1,940.67	2,371.93	2,803.19	3,234.45	3,881.34	4,528.23
Mechell	£	1,293.72	1,509.34	1,724.96	1,940.58	2,371.82	2,803.06	3,234.30	3,881.16	4,528.02
Rhos-y-bol	£	1,292.22	1,507.59	1,722.96	1,938.33	2,369.07	2,799.81	3,230.55	3,876.66	4,522.77
Aberffraw	£	1,306.56	1,524.32	1,742.08	1,959.84	2,395.36	2,830.88	3,266.40	3,919.68	4,572.96
Bodedern	£	1,303.32	1,520.54	1,737.76	1,954.98	2,389.42	2,823.86	3,258.30	3,909.96	4,561.62
Bodffordd	£	1,301.70	1,518.65	1,735.60	1,952.55	2,386.45	2,820.35	3,254.25	3,905.10	4,555.95
Trearddur	£	1,297.38	1,513.61	1,729.84	1,946.07	2,378.53	2,810.99	3,243.45	3,892.14	4,540.83
Tref Alaw	£	1,297.80	1,514.10	1,730.40	1,946.70	2,379.30	2,811.90	3,244.50	3,893.40	4,542.30
Llanfachraeth	£	1,309.26	1,527.47	1,745.68	1,963.89	2,400.31	2,836.73	3,273.15	3,927.78	4,582.41
Llanfaelog	£	1,301.70	1,518.65	1,735.60	1,952.55	2,386.45	2,820.35	3,254.25	3,905.10	4,555.95
Llanfaethlu	£	1,295.64	1,511.58	1,727.52	1,943.46	2,375.34	2,807.22	3,239.10	3,886.92	4,534.74
Llanfair-yn-Neubwll	£	1,303.38	1,520.61	1,737.84	1,955.07	2,389.53	2,823.99	3,258.45	3,910.14	4,561.83
Valley	£	1,311.06	1,529.57	1,748.08	1,966.59	2,403.61	2,840.63	3,277.65	3,933.18	4,588.71
Bryngwran	£	1,307.22	1,525.09	1,742.96	1,960.83	2,396.57	2,832.31	3,268.05	3,921.66	4,575.27
Rhoscolyn	£	1,294.62	1,510.39	1,726.16	1,941.93	2,373.47	2,805.01	3,236.55	3,883.86	4,531.17
Trewalchmai	£	1,305.78	1,523.41	1,741.04	1,958.67	2,393.93	2,829.19	3,264.45	3,917.34	4,570.23





This page is intentionally left blank

<b>Isle of Anglesey County Council</b>	
Report to:	The Executive
Date:	20 February 2024
Subject:	Strategic Equality Plan 2024 – 2028
Portfolio Holder(s):	Councillor Llinos Medi
Head of Service / Director:	Director of Function – Council Business / Monitoring Officer
Report Author:	Ffreuer Owen, Policy and Welsh Language Manager 01248 752520 <a href="mailto:ffreuerowen@ynysmon.gov.uk">ffreuerowen@ynysmon.gov.uk</a>
Local Members:	Not applicable

<b>A –Recommendation/s and reason/s</b>
<p>Recommendation: The Executive is requested to recommend to the County Council that the Council’s draft Strategic Equality Plan for 2024-2028 be approved and to authorise officers, in consultation with the Portfolio Holder, to complete and publish the Plan by 31 March 2024.</p> <p>Reason: The statutory basis for developing this draft Strategic Equality Plan (SEP) is contained in the Equality Act 2010 and the Equality Act 2010 (Statutory Duties) (Wales) Regulation 2011. The 2010 Act places a general duty on public bodies to give due regard to the following in every aspect of their work:</p> <ul style="list-style-type: none"> <li>• Eliminating unlawful discrimination, harassment and victimisation</li> <li>• Advancing equality of opportunity</li> <li>• Fostering good relations between different groups</li> </ul> <p>The Act protects the following characteristics, which are also known as ‘protected groups’:</p> <ul style="list-style-type: none"> <li>• Age</li> <li>• Disability</li> <li>• Sex</li> <li>• Gender reassignment</li> <li>• Pregnancy and maternity</li> <li>• Race</li> <li>• Religion or belief, including lack of belief</li> <li>• Sexual orientation</li> <li>• Marriage and civil partnership</li> </ul> <p>It also aims to reduce inequalities of outcome which result from socio-economic disadvantage.</p>

## A –Recommendation/s and reason/s

The 2011 Regulations include specific duties to help public bodies in Wales meet the general duty. These duties include a requirement to publish equality objectives and strategic equality plans at least once every four years. The current SEP, covering 2020-2024, comes to an end on 31 March 2024, by which time a new Plan for 2024-2028 must be published.

This draft SEP for 2024-2028 builds upon our previous SEPs and contains the following long-term equality objectives for strengthening and advancing equality on Anglesey as well as within our organisation. They are broadly based on the Equality and Human Rights Commission's 'areas of life' for monitoring equality and align with our North Wales public sector partners' shared equality objectives for the region:

1. **Education:** Take action to address gaps in educational attainment and support the well-being of school pupils
2. **The workplace:** Take action to ensure we are an equal opportunities employer and reduce pay gaps
3. **Living standards:** Take action to improve the living standards of protected groups
4. **Health, well-being and social care:** Take action to improve health, well-being and social care outcomes
5. **Personal security:** Take action to safeguard protected groups
6. **Participation:** Increase access to participation and encourage diversity in decision making
7. **Socio-economic disadvantage:** Take action to address disadvantage
8. **Working practices:** Improve our internal practices to ensure fairness for all

It also sets out:

- our main equality priorities for the next four years, influenced by the findings of the Equality and Human Rights Monitor 2023: Is Wales Fairer? which is the Commission's latest five-year state of the nation report, as well as local research and consultation
- our arrangements for monitoring progress towards achieving our equality objectives
- how this plan contributes towards the wider vision of our Council Plan of creating a healthy and prosperous Anglesey where people can thrive.

To ensure this SEP is realised, we will focus on annual action plans and will report on progress in our annual equality reports. Particular attention will be paid over the period of this plan to raising awareness and developing our practices to ensure that the Council champions equality.

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

No other options were considered for the reason noted below.

### C – Why is this a decision for the Executive?

As the SEP forms part of the policy framework, the Executive will be required to make recommendations to the full Council with regard to this plan.

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

The SEP is a key publication that aligns with our Council Plan for 2023 to 2028, which was approved by the full Council on 9 March 2023. Our draft equality objectives 1, 3 and 4 are particularly relevant as they align with three Council Plan strategic objectives:

- Education: Ensuring an effective provision for today and for future generations
- Social Care and wellbeing: Providing the right support at the right time
- Housing: Ensuring that everyone has the right to call somewhere home

### 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?	Local authorities are firmly expected to contribute to advancing equality in Wales. Specific equality duties, such as developing this SEP, build upon the provisions of the Wellbeing of Future Generations (Wales) Act 2015 to 'create a more equal Wales', through improving the social, economic, environmental and cultural well-being of the nation.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	As no direct costs are associated with implementing the SEP, no future costs / dependencies have been identified. Adopting shared regional equality objectives increases opportunities for collaboration, the sharing of resources and avoids duplication.
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	For over a decade NWPSSEN (which includes all North Wales' local authorities and other public sector organisations) has collaborated to develop and agree a set of shared objectives for the region. The latest NWPSSEN review was carried out in the summer of 2023 and included a public consultation exercise.

Dd – Assessing the potential impact (if relevant):		
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	<p>The plan was developed in close consultation with our Corporate Management Team and informed by the knowledge of officers who work closely with protected characteristic groups.</p> <p>The people of Anglesey were also invited to take part in our NWPSen consultation exercise during the summer of 2023.</p> <p>The plan was also influenced by direct engagement with some protected groups including our Youth Forum and day care provision users.</p>
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	<p>The purpose of the SEP is to help us meet the three aims of the general equality duty to have due regard to the need to:</p> <ul style="list-style-type: none"> <li>• Eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Act</li> <li>• Advance equality of opportunity between people who share a relevant protected characteristic and those who do not</li> <li>• Foster good relations between people who share a protected characteristic.</li> </ul> <p>In addition to the objectives and priorities in the SEP, we will progress the principles of equality of opportunity for people of all backgrounds and circumstances in all our plans and procedures.</p>
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	<p>The SEP will help to improve inequalities of outcome resulting from socio-economic disadvantage, including:</p> <ul style="list-style-type: none"> <li>• Providing quality affordable and accessible homes to those in need</li> <li>• Ensuring residents know where to turn to for support</li> <li>• Ensuring that our decisions are considerate of the needs of our most disadvantaged residents</li> </ul>

Dd – Assessing the potential impact (if relevant):		
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.	Under equality objective 4, we have chosen to prioritise the provision of social care to our most vulnerable residents in their chosen language. We will do this by continuing to implement the More than just Words framework for providing social care through the medium of Welsh and signposting

E – Who did you consult?		What did they say?
1	Chief Executive / Leadership Team (LT) (mandatory)	The Chief Executive, LT and Corporate Management Team have discussed, shaped and influenced the process of developing the SEP from the outset.  The draft SEP was submitted to a meeting of the Leadership Team on 30 January 2024. No substantive changes were made to the content of the report.
2	Finance / Section 151 (mandatory)	The officer noted that some of the programmes alluded to in the plan, particularly in relation to housing support, rely on Welsh Government grant funding. It was noted that grant support may be impacted by future cuts to public sector funding.
3	Legal / Monitoring Officer (mandatory)	As (1) above.
4	Human Resources (HR)	Specific sections of the SEP relate to employment issues.
5	Property	Not applicable.
6	Information Communication Technology ICT	Not applicable.
7	Procurement	Not applicable.
8	Scrutiny	The proposed Strategic Equality Plan for 2024-2028 was presented to a meeting of the Partnership and Regeneration Scrutiny Committee on 6 February 2024. The following points were noted during the discussion:  1. It was noted that the draft strategic plan contains eight equality objectives and the Scrutiny Committee asked to what extent that is too ambitious, given the current economic climate.  2. It was asked about the role of the Partnership and Regeneration Scrutiny Committee in the process of monitoring progress towards achieving our new equality objectives.

E – Who did you consult?		What did they say?
		<p>3. Members asked how it is intended to address data gaps about our communities and our staff.</p> <p>4. The Committee also asked about the plans over the next four years to raise awareness and increase understanding of equality and diversity within the Council.</p> <p>Having considered all the documentation and the explanations provided by the Portfolio Holder and the officers on the issues raised, the Partnership and Regeneration Committee decided to recommend to the Executive that the Strategic Equality Plan 2024-2028 be adopted.</p> <p>Additional action point: Consider the appropriateness of amending the title of Equality Objective 2 (Work) to offer clarity on the Council’s role as an employer.</p>
9	Local Members	Not relevant

**F - Appendices:**  
The Council’s draft Strategic Equality Plan for 2024 – 2028

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



# Ynys Môn

THE ISLE OF

# Anglesey

## Strategic Equality Plan 2024-2028

Page 157



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

Mae'r cyhoeddiad hwn hefyd ar gael yn Gymraeg 🇬🇧  
This publication is also available in Welsh

[www.anglesey.gov.wales](http://www.anglesey.gov.wales)

This is the Isle of Anglesey County Council's strategic equality plan for 2024 to 2028. It is available on our website, together with plain text and easy read versions:

[www.anglesey.gov.wales](http://www.anglesey.gov.wales)

If you require this publication in another format and/or language, or have any questions about its contents, please contact us.

Policy and Welsh Language Team  
Isle of Anglesey County Council  
Council Offices  
Llangefni  
LL77 7TW

Tel: 01248 75 25 50

Email: [Equality@anglesey.gov.wales](mailto:Equality@anglesey.gov.wales)

We welcome calls and correspondence in Welsh and English. Using Welsh will not lead to delay in responding.

# Introduction: An overview of our plan

Page 159



This is the Isle of Anglesey County Council’s strategic equality plan for 2024 to 2028. In it you will find short sections explaining:

- How this plan contributes towards the vision of our Council Plan of creating a healthy and prosperous Anglesey where people can thrive.
- Our eight long-term equality objectives for creating a fairer Anglesey by advancing equality in our communities, as well as within our organisation.
- Our main equality priorities for the next four years influenced by the findings of Is Wales Fairer?, the Equality and Human Rights Commission’s latest five-year report, as well as local research and consultation.
- Our arrangements for monitoring progress towards achieving our equality objectives.

Accompanying documents outline the legal basis which underpins this plan and how the plan was developed. You will also find key equality data for our population from the most recent census.

# Foreword

Page 160



Councillor Llinos Medi  
Council Leader



Dylan Williams  
Chief Executive

Welcome to our strategic equality plan for 2024 to 2028. This key publication builds upon our previous plans, aligns with our Council Plan and sets out our ambition to build a fairer society for the people of Anglesey. It also builds upon the aims of the Wellbeing of Future Generations Act of creating a more equal Wales.

Creating an Anglesey where people can thrive means recognising that there are many causes of inequality and doing all we can to address them. Addressing inequality is not an easy task, particularly in a time of increased pressure on public services. Local authorities face an uncertain future as demand for our services continues to rise just as the price of providing them is escalating dramatically. This risks hampering our efforts to support our communities.

However, this does not mean that we are any less committed to promoting equality and doing what we can to secure better outcomes for those facing disadvantage. As an employer and service provider, we will work to eliminate unfair and unlawful discrimination in all our policies, procedures and practices.

Equality is not a stand-alone issue. This is why we have made it a general principle of our new Council Plan. We will pay particular attention over the next four years to raising awareness and developing our knowledge to ensure that our council champions equality for all.

# Council Plan 2023-2028

The Council Plan's vision is to:

'Create an Anglesey that is  
healthy and prosperous  
where people can thrive'

Page 161



[Council Plan 2023 to 2028 \(gov.wales\)](https://www.gov.wales/council-plan-2023-to-2028)

Our strategic equality plan is closely linked to our Council Plan and its vision. The Council Plan is the key document serving as a focal point for decision-making at all levels; providing a framework to plan and drive forward priorities; shape annual spending; monitor performance and progress.

At its core is our desire to work with Anglesey residents, communities and partners to ensure the best possible services, improve the quality of life for all and create opportunities for future generations.

Its six main objectives reflect the key areas we should be focusing our efforts on.



The Welsh  
Language

Increasing opportunities to learn  
and use the language.



Social Care and  
Wellbeing

Providing the right support at the  
right time.



Education

Ensuring an effective provision  
for today and for future  
generations.



Housing

Ensuring that everyone has the  
right to call somewhere home.



Economy

Promoting opportunities to  
develop the Island's economy.



Climate Change

Responding to the crisis, tackling  
change and working towards  
becoming a net zero organisation by  
2030.

# Our values and principles

The Council Plan is underpinned by four core values, which are used to develop and guide our vision, strategic plans and services.

Page 162

It also adheres to the general principles of:

- Sustainable development
- Equality and diversity
- Prevention and safeguarding
- Commitment and accountability
- Communication
- Modernisation

## Values



### Respect

We are respectful and considerate towards others regardless of our differences.



### Collaborate

We work as a team, with our communities and partners to deliver the best outcomes for the people of Anglesey.



### Honesty

We are committed to high standards of conduct and integrity.



### Champion the Council and the Island

We create a sense of pride in working for the Council and present a positive image of the Council and the Island.

# Strategic circle

The strategic circle identifies the plans in place to ensure we are able to achieve our priorities and objectives.

Our strategic equality plan is a key publication that aligns with the Council Plan and contributes to the achievement of the strategic objectives and vision.

Its purpose is to explain how we intend to strengthen and advance equality on Anglesey whilst working towards the vision of our Council Plan,



# Our equality objectives for 2024-2028

Page 164

1. **Education:** Take action to address gaps in educational attainment and support the well-being of school pupils
2. **The workplace:** Take action to ensure we are an equal opportunities employer and reduce pay gaps
3. **Living standards:** Take action to improve the living standards of protected groups
4. **Health well-being and social care:** Take action to improve health, wellbeing and social care outcomes
5. **Personal security:** Take action to safeguard protected groups
6. **Participation:** Increase access to participation and encourage diversity in decision making
7. **Socio-economic disadvantage:** Take action to address disadvantage
8. **Working practices:** Improve our internal practices to ensure fairness for all



# Equality objective 1: Education

## What are we going to do?

- Address gaps in educational achievement between different protected groups
- Maintain and support the well-being of school pupils
- Ensure that newcomers are welcomed and integrated into our schools

Page 165



## Why is this important?

We know from the Equality and Human Rights Commissioner's latest five-year report, *Is Wales Fairer?*, that there has been some improvement in school-leaver attainment gaps. However, according to the latest data for North Wales, there has been little change in the gap between pupils who receive free school meals and those who do not.

We also know from the commission's research and our work with teaching staff that the COVID-19 pandemic has had a negative impact on young people's mental health and well-being.

Our schools are welcoming more newcomers from abroad due to various refugee settlement schemes. It is vital that they are supported to integrate these pupils while being respectful of cultural and religious needs.

## How are we going to do this?

- By continuing plans to further reduce the attainment gap between pupils who receive free school meals under means tested eligibility and those who do not
- By collaborating with schools to prevent bullying and develop their ability to record and report instances
- By taking action to reduce exclusion rates and increase attendance of pupils from protected groups

### By 2028:

We will have taken action to address attainment gaps and support young peoples' well-being in schools.

# Equality objective 2: The workplace

## What are we going to do?

- Identify and address inequalities within recruitment, retention, training and promotion processes
- Identify pay gaps between people with different protected characteristics
- Improve our understanding of the needs of our colleagues

Page 166



## Why is this important?

As Anglesey's largest employer we are committed to the principle of equal opportunity and equal treatment for all our employees. We continuously strive to strengthen the diversity of our workforce and create an inclusive culture that values difference, where all members of staff have the chance to succeed.

Although we provide equal pay to women and men, the average pay gap persists (as it does in other local authorities). This is an issue that we, as well as the Welsh Government and the Equality and Human Rights Commission, are eager to address.

To do this this we need accurate information about our staff to identify any inequalities. However, gathering enough data proves difficult as we depend on colleagues to provide this information to us voluntarily.

## How are we going to do this?

- By continuing to report on the wage gap between men and women and developing our ability to report on gaps between other protected groups
- By encouraging and making it easier for employees to share their personal information with us
- By developing our understanding of protected groups' eligibility to work through workforce training and awareness

### By 2028:

We will have a better understanding of our workforce through equality data and will have taken action to address wage gaps.

# Equality objective 3: Living standards

## What are we going to do?

- Provide quality, affordable and accessible homes to those in need
- Maintain local services and amenities where possible
- Ensure residents know where to turn to for support

## Why is this important?

Ensuring that everyone on Anglesey has the right to call somewhere home is one of our main strategic objectives. It is particularly relevant to residents who share protected characteristics as they are more likely rely on us for help.

Looked after children, refugees and those requiring support to live independently, are just some of the groups reliant on us for housing support. As Anglesey's largest social landlord, we are committed to providing suitable homes to those in need.

We also know that local services and amenities such as transport have a direct impact on peoples' independence and standard of living. In times of increased cuts to public services we must innovate to ensure that protected groups are not disadvantaged.

## How are we going to do this?

- By increasing the number of affordable and accessible properties
- By continuing to provide financial inclusion and welfare rights support to maximise household finances and financial resilience
- By working with third sector partners to maintain local services and signpost support

### By 2028:

We will have provided more accessible and affordable homes to those in need and will have taken action to safeguard support services.



# Equality objective 4: Health, well-being and social care

## What are we going to do?

- Create the conditions for individuals to improve their health and well-being
- Ensure that those who belong to protected groups have access to programmes that focus on their specific needs
- Provide social care to our most vulnerable residents in their chosen language



## Why is this important?

Our population is ageing. According to the latest census result, 26.5% of our residents are aged over 65, which is higher than the national average of 21.3%. Through our status as an age-friendly community we are committed to making Anglesey a good place to grow old.

We know that remaining active is a key contributor to good physical and mental health. Initiatives such as the national exercise referral scheme, Demetia Actif Môn, MônActif 60+ and Insport sessions for disabled adults and young people give access to high quality, supervised exercise programmes in our communities.

Despite not being a protected characteristic, we recognise the positive effects of providing first-language health and social care to our most vulnerable residents.

## How are we going to do this?

- By maintaining our status as one of the World Health Organisation's global network of age-friendly communities
- By continuing to offer high quality, supervised exercise programmes focused on the needs of protected groups through our MônActif service
- By implementing the More than just Words framework for providing social care through the medium of Welsh and signposting to other language support services

### By 2028:

Our residents will have opportunities to improve their health and well-being and those requiring our support will receive social care that addresses their needs.

# Equality objective 5: Personal security

## What are we going to do?

- Increase awareness of hate crime, harassment and of help to report instances
- Maintain good relations between residents, newcomers and visitors, including Welsh and non-Welsh speakers
- Ensure that our staff and elected members are aware of and act upon their safeguarding duties



## Why is this important?

Increasing awareness of hate crime and harassment encouraging our residents to report instances have been priorities of ours for some time.

However, according to Is Wales Fairer? the number of recorded hate crimes continues to increase across all protected characteristics. Despite a rise in racially and religiously aggravated offences, the proportion of offences resulting in a charge has gone down. Colleagues have also highlighted a worrying local trend of increased tension between our resident population and those visiting or new to the area.

We must continue our efforts to make progress against this objective so that residents and visitors who share protected characteristics feel safe in our communities.

## How are we going to do this?

- By continuing to work with our partner, North Wales Police, to maintain personal security on the ground
- By supporting regional community cohesion and victim support campaigns
- By maintaining our status as a trauma informed council and continuing to raise awareness through workforce training and resources

### By 2028:

Our colleagues, regardless of their roles, will have a greater understanding of hate crime and harassment and their responsibility to act.

# Equality objective 6: Participation

## What are we going to do?

- Improve our methods of engaging with residents who share protected characteristics
- Ensure that all Anglesey residents can access information and have an equal opportunity to share their views
- Increase awareness of the importance of diversity in political representation and decision-making

Page 170



## Why is this important?

The needs of the people of Anglesey are at the heart of all that we do. To meet those needs effectively we must listen to our residents who share protected characteristics.

We know that there are gaps in our knowledge and that we must do more to ensure that the voices of people who belong to the protected groups inform our decisions. Meaningful engagement with individuals and their representatives is essential for people to feel confident to talk to us.

Some strong links already exist through networks such as our Older People's Council and Forum, Youth Forum, community alliances and school councils. However, we must do more to connect with other protected groups.

## How are we going to do this?

- By meeting with and listening to residents from protected groups
- By continuing to work with our third sector partners to raise awareness of engagement and consultation opportunities in accordance with our Public Participation Strategy
- By continuing to collaborate with our regional partners through the North Wales Public Sector Equality Network to make the most of resources available to us

### By 2028:

We will have a better understanding of residents who share protected characteristics through engagement with individuals, groups and their representatives.

# Equality objective 7: Socio-economic disadvantage

## What are we going to do?

- Ensure that our decisions are considerate of the needs of our most disadvantaged residents
- Work with our third sector partners to support our most vulnerable households
- Create the conditions to further develop the island's economy and create inclusive job opportunities

Page 171



## Why is this important?

Poverty rates remain high in Wales and some of the most socio-economically deprived communities are here on Anglesey. Almost a quarter of our children are living in poverty.

Our communities are changing with more young people and those of working age moving away for jobs and education. Those moving in tend to be older and more reliant on our support. These changes have the effect of lower levels of good health, lower paid work and poorer educational attainment within our resident population.

We have made good progress in improving our understanding of the challenges of poverty since the socio-economic duty was introduced in 2021. It is important that we continue to develop our methods of assessing the impact of our decisions on those who suffer disadvantage.

## How are we going to do this?

- By implementing our anti-poverty strategy and continuing to work alongside local anti-poverty agencies to support households
- By improving the information we hold about socio-economic disadvantage in our communities which forms the basis of our impact assessments
- By continuing to facilitate the creation of new job opportunities through our economic development programmes

### By 2028:

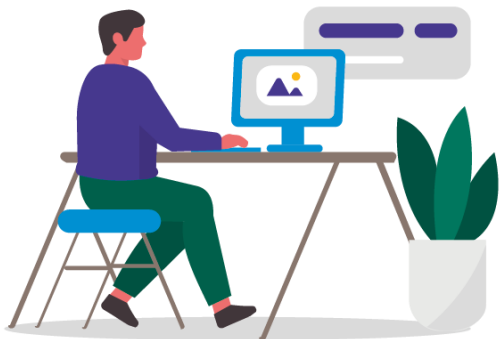
We will have a greater understanding of those who face socio-economic disadvantage in our communities to better inform our decision-making practices.

# Equality objective 8: Working practices

## What are we going to do?

- Increase our staff and elected members' understanding of equality issues through increased training
- Review our processes and procedures to promote equality and diversity
- Improve our governance and accountability arrangements

Page 172



## Why is this important?

To deliver services effectively, all staff and elected members need to be aware of the general and specific equality duties to ensure that they are given due regard.

From our engagement with colleagues, it seems that not everyone fully understands the need to prioritise equality considerations or are unsure how to do that properly.

As working practices change it is important that our colleagues receive appropriate training and support to create a healthy work culture that champions equality.

As well as understanding its relevance, we must also take ownership for promoting equality through our governance and accountability arrangements.

## How are we going to do this?

- By developing a focused, relevant and high-quality equality training programme
- By ensuring that support resources on our intranet are kept relevant and up-to-date
- By advocating appropriate use of vocabulary, language and behaviour
- By establishing a new equality promotion group

## By 2028:

Our colleagues, regardless of their roles, will have a greater understanding of equality issues and their responsibilities under the public sector equality duty.



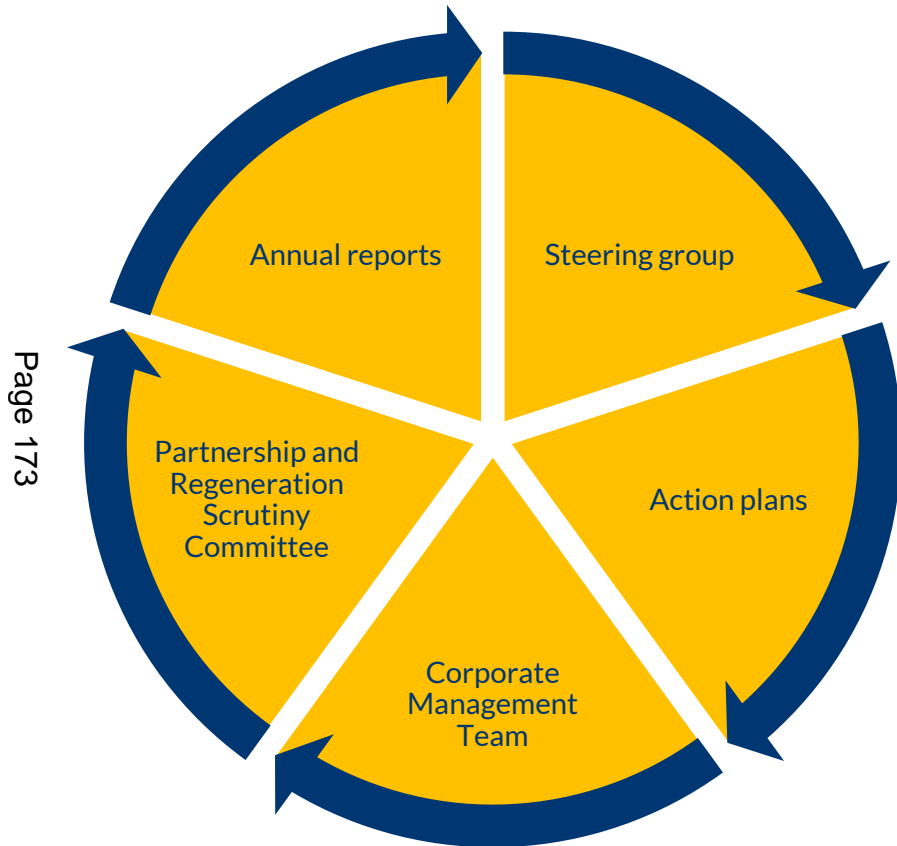
# Governance and accountability

Although this plan builds upon our previous strategic equality plans, we welcome the opportunity to reconsider our governance and accountability arrangements. Our intention is to ensure that equality is an integral part of our work across the organisation and does not sit apart as a separate project.

To ensure the plan is realised, we will establish robust arrangements focusing on annual action plans. We will also establish a new equality, diversity and inclusion group. The group's aim will be to provide strategic direction and leadership to uphold our public sector equality duty and deliver our equality objectives.

We will report to our Corporate Management Team and our Partnership and Regeneration Scrutiny Committee.

Our arrangements will ensure clarity, accountability, coordination and the structure to monitor progress effectively. Our annual equality reports will keep you informed on progress.



# Appendix 1: Legal basis

## 1. Why do we need a strategic equality plan?

The statutory basis for developing this plan is contained in the Equality Act 2010 and the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011. The Act places a general duty on public bodies to give due regard to the following in all aspects of their work:

- Eliminating unlawful discrimination, harassment and victimisation
- Advancing equality of opportunity
- Fostering good relations between different groups

The 2011 Regulations include specific duties to help public bodies in Wales meet the general duty. These duties include a requirement to publish equality objectives and strategic equality plans at least once every four years.

Local authorities are firmly expected to contribute to advancing equality in Wales. The specific duties build upon the provisions of the Wellbeing of Future Generations (Wales) Act 2015 to 'create a more equal Wales' through improving the social, economic, environmental and cultural well-being of the nation. We see our strategic equality plan as also contributing to the realisation of several Welsh Government schemes, including but not limited to:

- Anti-racist Wales Action Plan
- LGBTQ+ Action Plan

## 2. Who is protected under the Equality Act 2010?

The Equality Act 2010 is about ensuring fairness for all. It protects the following characteristics, which are also known as 'protected groups':

- Age
- Disability
- Sex
- Gender reassignment
- Pregnancy and maternity
- Race

- Religion or belief, including lack of belief
- Sexual orientation
- Marriage and civil partnership

The Act also aims to reduce inequalities of outcome which result from socio-economic disadvantage.

### 3. Who is this plan for?

This is a plan for the whole of Anglesey. Every member of our population belongs to at least one of the above protected characteristic groups. Therefore, working towards creating an Anglesey that is healthy and prosperous for all means recognising that there are many causes of inequality and exclusion and doing all we can to address them.

Some aspects of our work will deal more closely with some protected groups, such as education, housing and social services. People can be excluded because they have low income, are socially isolated, live in poor housing or due to poor health. Refugees and migrants, looked after children and those with caring responsibilities are also likely to face additional barriers in accessing services and reaching their full potential.

Our day-to-day work shows that fostering good relations between our resident population and those who are new to or visiting the area is of particular relevance to us. Despite not being a protected characteristic, we feel obligated to use our influence to mitigate tensions between Welsh and non-Welsh speakers in much the same way as we would seek to ease conflict between protected characteristic groups.

We also consider this plan as an opportunity to evaluate our practices as an employer. During 2024 to 2028 we will pay considerable attention to raising awareness, improving our knowledge and ensuring that our workplace culture champions equality and diversity for the benefit of our employees and elected members.

We will also establish a new equality, diversity and inclusion group made up of key officers whose work brings them into contact with protected groups on Anglesey. Their knowledge and insights will influence our strategic direction to uphold our public sector equality duty and deliver our equality objectives.

# Appendix 2: Context

## 1. Our communities

We are committed to continuously developing and improving our methods of collecting relevant information to gain a better understanding of the size, nature and complexity of all protected groups on Anglesey. Although the accompanying census area profile may suggest that our communities are not as diverse as in other parts of the country, this does not mean that people on Anglesey do not face disadvantage.

Our population is aging, and the effects of socio-economic disadvantage are keenly felt in many areas. Community demographics are changing with younger people leaving in pursuit of further education and work opportunities and older people moving in seeking a better quality of life. We are also welcoming an increasing number of newcomers from abroad due to various refugee resettlement schemes.

We acknowledge that data gaps persist, and that further work is required to identify and meaningfully engage with many of our protected groups. (Particularly those sharing gender reassignment, race, religion and belief and sexual orientation protected characteristics.) We will do this through collaboration with existing networks, such as our Older People's Council and Youth Forum, as well as creating new connections through third sector partners like Medrwn Môn. We explain our intentions in more detail under equality objective 6: Participation.

## 2. Our Council

Anglesey's residents are represented by 35 elected members (also known as councillors). The Council's main decision-making body is an Executive of nine members, chaired by the Leader of the Council. The Leader also takes responsibility for representing equality issues on the Executive. A diversity champion is also appointed from among the members.

The Executive's decisions are held to account by two scrutiny committees. Further information about the Council's political arrangements, as well as details of our committees and dates of meetings, can be found on our website.

The Council's leadership team includes our chief executive, deputy chief executive and four directors with responsibility for:

## Strategic Equality Plan 2024-2028

- Council business
- Education, skills and young people
- Resources
- Social services (including children's services)

The corporate management team includes the above as well as five heads of service with responsibility for:

- Adults' services
- Highways, waste and property services
- Housing services
- Human resources and corporate transformation
- Regulation and economic development

### 3. Our staff

We are committed to the principle of equal opportunities and equal treatment for all our employees. We have a clear policy of paying employees equally for the same or equivalent work and we evaluate job roles and pay grades as necessary to ensure a fair structure. We operate an 'employer of choice' approach to attract, retain and motivate suitably skilled employees so the Council can perform to the best of its abilities whilst delivering services.

The equality data that we hold about workforce is published in our annual reports. However, gathering enough data proves difficult as we depend on colleagues to provide this information to us voluntarily. We explain our intentions to improve this information in more detail under equality objective 2: Work.

### 4. Equality impact assessments

In accordance with our public sector equality duty, we must assess the likely impact of our policies and practices. This may be achieved by a thorough analysis of equality evidence and engagement with communities, individuals and experts. This helps us understand how our policies and practices might affect people with protected characteristics, and whether appropriate action is required to eliminate or minimise any negative impacts where possible.

Our aim is to ensure that identifying and reducing negative impacts and promoting equality become part of our daily work. Councillors and officers with decision-making

responsibilities must understand the likely impact before any decisions are made. For this reason, the covering reports for our main committees – scrutiny committees and the Executive – address any potential impact on some groups within our communities.

Templates and guidance are available on our intranet and the Policy and Welsh Language Team is also on hand to offer advice. Regular training is also available for any staff members who feel they require further guidance.

We intend to review and improve the content of our equality and diversity intranet pages. This is to ensure that resources are readily available in one place to support officers carrying out equality impact assessments. We have included this action under equality objective 8: Internal working practices.

# Appendix 3: Developing the plan

## 1. How did we develop our plan?

Our strategic equality plan for 2024 to 2028 builds upon our previous plan and links closely with our new Council Plan for 2023 to 2028. It is shaped by information about our communities from the latest census equality data as well as local and regional research carried out by us and the North Wales Public Sector Equality Network (NWPSSEN). It also draws on the findings of *Is Wales Fairer?*, the Equality and Human Rights Commission's five-year state of the nation report.

Collaboration with our service departments has been instrumental. The plan was developed in close consultation with our Corporate Management Team and informed by the knowledge of officers who work closely with protected characteristic groups.

We have also sought to hear from organisations and individuals representing these groups. This included direct engagement with our Youth Forum and Mencap Môn, Boston Centre Stage, Tyddyn Môn, and Blaen y Coed day service centre users.

Listening to people is key to helping us become a truly inclusive organisation. We recognise that meaningful engagement and consultation is an ongoing process and acknowledge that we need to do more to hear directly from our protected groups. Effort will be made during the period of this plan to strengthen our community networks as well as connections within our organisation.

The following is a summary of specific information sources we considered when developing the plan:

- The findings of a comprehensive engagement and consultation process undertaken in 2022 to develop strategic priorities for our 2023-2028 Council Plan
- Equality in North Wales: Data and evidence report (April 2023) commissioned by NWPSSEN
- Feedback from consultation on our North Wales regional objectives carried out by NWPSSEN (September 2023)
- Equality and Human Rights Monitor: *Is Wales Fairer?* (November 2023)

## 2. How did we develop our equality objectives?

As in previous years our equality objectives are based on the ‘domains’ used by the Equality and Human Rights Commission to monitor progress in equality in Britain. For over a decade NWPSSEN (which includes all North Wales’ local authorities and other public sector organisations) has collaborated to develop and agree a set of shared objectives for the region, based on these key areas of life.

Recent research and consultation brought NWPSSEN to the conclusion that the original top-level objectives remain relevant. The latest review carried out in the summer of 2023 – which included a public consultation exercise – confirmed that there is broad support for our shared regional objectives.

Equality objectives 1, 3 and 4 are particularly relevant as they align with three strategic objectives of our Council Plan for 2023 to 2028:

- Education: Ensuring an effective provision for today and for future generations
- Social care and wellbeing: Providing the right support at the right time
- Housing: Ensuring that everyone has the right to call somewhere home

Equality objective 7 arises from the Wales-specific duty to address socio-economic disadvantage in the same way as the characteristics protected by the Equality Act 2010. Equality objective 8 was chosen as it gives us flexibility to develop our internal working practices to ensure fairness for all.

Several of the objectives are closely linked to other strategic plans including our:

- Anti-poverty strategic plan
- Housing strategy
- Housing support programme strategy
- Public participation strategy
- Tenant participation strategy

We acknowledge that some objectives have greater relevance to some protected groups. However, through our annual action plans we will ensure that due regard is given to all protected characteristic groups during the period of this plan.

We know that having eight equality objectives is ambitious, especially considering the financial situation facing local authorities. However, close collaboration with our regional partners is a constant strength to us. Working together towards shared equality objectives enables us to make effective use of resources and expertise and avoid duplication.



# Isle of Anglesey: 2021 Census area profile

## 1. Summary

This report covers the characteristics of people and households on Anglesey. Figures are sourced from the 2021 Census. It includes statistic across different topics linked to equality and socio-economic status released by the Office for National Statistics up until December 2023.

It has been prepared to support the Isle of Anglesey County Council's strategic equality plan for 2024 to 2028. Both this report and our strategic equality plan are available on our website, [www.anglesey.gov.wales](http://www.anglesey.gov.wales). If you require these publications in another format and/or language or have any questions about the contents of this report, please contact us:

Policy and Welsh Language Team  
Isle of Anglesey County Council  
Council Offices  
Llangefni  
LL77 7TW

Tel: 01248 75 25 50  
Email: [Equality@anglesey.gov.wales](mailto:Equality@anglesey.gov.wales)

## 2. Contents

- Demography
- Ethnicity, identity, religion and language
- Work and travel
- Housing
- Sexual orientation and gender identity
- Education
- Health

### 3. Demography

#### Information: Sex

	count	%
All usual residents	68,878	100.0
Female	35,219	51.1
Male	33,659	48.9

**Description:** This is the sex recorded by the person completing the census. The options were 'female' and 'male'.

**Comparability with 2011:** Highly comparable

#### Information: Age

	count	%
All usual residents	68,878	100.0
Aged 4 years and under	3,209	4.7
Aged 5 to 9 years	3,861	5.6
Aged 10 to 15 years	4,659	6.8
Aged 16 to 19 years	2,716	3.9
Aged 20 to 24 years	3,055	4.4
Aged 25 to 34 years	7,003	10.2
Aged 35 to 49 years	10,963	15.9
Aged 50 to 64 years	15,202	22.1
Aged 65 to 74 years	9,794	14.2
Aged 75 to 84 years	6,237	9.1
Aged 85 years and over	2,176	3.2

**Description:** A person's age on census day, 21 March 2021 in England and Wales.

**Comparability with 2011:** Highly comparable

### Information: Legal partnership status

	count	%
All usual residents aged 16 and over	57,147	100.0
Never married and never registered a civil partnership	18,849	33.0
Married or in a registered civil partnership	26,596	46.5
Married	26,478	46.3
In a registered partnership	118	0.2
Separated, but still legally married or in a civil partnership	1,066	1.9
Divorced or civil partnership dissolved	5,957	10.4
Widowed or surviving civil partnership partner	4,679	8.2

**Description:** Classifies a person according to their legal marital or registered civil partnership status on census day 21 March 2021. It is the same as the 2011 census variable 'marital status' but has been updated for Census 2021 to reflect the revised Civil Partnership Act that came into force in 2019.

In Census 2021 results, 'single' refers only to someone who has never been married or in a registered civil partnership.

**Quality information:** Separate estimates by opposite and same-sex partnerships for the marital status categories 'separated', 'divorced/dissolved' and 'widowed/surviving partners' are not available. This is because quality assurance showed the figures for some of the categories were unreliable.

**Compatibility with 2011:** Broadly comparable. We have added the same-sex marriage and opposite-sex civil partnership status categories that have come in since 2011. Therefore, there are same-sex and opposite sex categories for those in a partnership. However, the same-sex and opposite-sex categories for legal partnership statuses outside of a partnership (people who are either separated, widowed, surviving partner, divorced or their partnership has legally been dissolved) have been collapsed together because of data quality issues.

### Information: Residence type

	count	%
All usual residents	68,878	100.0
Lives in a household	68,184	99.0
Lives in a communal establishment	694	1.0

**Description:** Whether a person lives in a household or a communal establishment. People who completed the normal household questionnaire were recorded as living in a

household. Those who completed an individual questionnaire were asked if they lived in a household or a communal establishment.

**Compatibility with 2011:** Highly comparable

### Information: Household composition

	count	%
All usual residents	68,878	100.0
One-person household	10,189	33.1
Single family household	19,438	63.1
Other household types	1,196	3.9

**Description:** Households according to the relationships between members. One-family households are classified by:

- the number of dependent children
- family type (married, civil partnership or cohabiting couple family, or lone parent family)

Other households are classified by:

- the number of people
- the number of dependent children
- whether the household consists only of students or only of people aged 66 and over

**Quality information:** There are quality considerations around consistency of census data on household and family composition and legal partnership status, and changes in the definition of 'other household types' since 2011.

**Comparability with 2011:** Broadly comparable. This is derived from the legal partnership status derived variable. We have made changes to reflect that people can now marry someone of the same-sex and people of the opposite-sex can be in a civil partnership.

## 4. Ethnicity, identity, religion and language

### Information: Ethnicity

	count	%
All usual residents	68,878	100.0
Asian, Asian British or Asian Welsh	430	0.6
Black, Black British, Black Welsh, Caribbean or African	104	0.2
Mixed or Multiple ethnic groups	598	0.9
White	67,587	98.1
Other ethnic group	160	0.2

**Description:** The ethnic group that the person completing the census feels they belong to. This could be based on their culture, family background, identity or physical appearance. Respondents could choose one out of 19 tick-box response categories, including write-in response options.

**Comparability with 2011:** Broadly comparable. The question about the ethnic group people feel they belong to is self-identified and is subjectively meaningful to the person answering the question. This means that how a person chooses to identify can change over time.

A Roma category was included next to the Gypsy or Irish Traveller tick-box within the White category. Also added was a write-in option for those selecting African within the Black, Caribbean or Black British Category. This means that a more specific ethnic background could be recorded.

### Information: National identity

	count	%
All usual residents	68,878	100.0
British only identity	12,594	18.3
English only identity	8,794	12.8
English and British only identity	1,541	2.2
Welsh only identity	38,301	55.6
Welsh and British only identity	3,847	5.6
Any other combination of only UK identities	1,916	2.8
Non-UK identity only	1,225	1.8
UK identity and non-UK identity	660	1.0

**Description:** Someone's national identity is a self-determined assessment of their own identity. It could be the country or countries where they feel they belong or think of as home. It is not dependent on ethnic group or citizenship.

Respondents could select more than one national identity.

**Quality information:** The increase since the 2011 Census in people identifying as 'British' and fall in people identifying as 'English' may partly reflect true changes in self-perception. It is also likely to reflect that 'British' replaced 'English' as the first response option listed on the questionnaire in England.

**Comparability with 2011:** Broadly comparable. This derived variable can be generally compared with the same variable used in the 2011 Census, but there are some quality issues in the data.

### Information: Religion

	count	%
All usual residents	68,878	100.0
No religion	28,066	40.7
Christian	35,485	51.5
Buddhist	154	0.2
Hindu	62	0.1
Jewish	30	0.0
Muslim	328	0.5
Sikh	30	0.0
Other religion	278	0.4
Not answered	4,446	6.5

**Definition:** The religion people connect or identify with (their religious affiliation), whether or not they practise or have belief in it. This question was voluntary and includes people who identified with one of eight tick-box response options, including 'no religion', alongside those who choose not to answer this question.

**Comparability with 2011:** Broadly comparable. This derived variable can be generally compared with the same variable used in the 2011 Census, but there are some quality issues in the data.

### Information: Country of birth

	count	%
All usual residents	68,878	100.0
Europe	67,864	98.5
Europe: UK	66,584	96.7
Europe: Other Europe: EU countries	338	0.5
Europe: Other Europe (excluding Ireland)	942	1.4
Africa	257	0.4
Middle East and Asia	480	0.37
The Americas and the Caribbean	190	0.3
Antarctica and Oceania	88	0.1
Other	0	0.0

**Description:** The country in which a person was born. For people not born in one of the four parts of the UK, there was an option to select 'elsewhere'. People who selected 'elsewhere' were asked to write in the current name for their country of birth.

**Comparability with 2011:** Broadly comparable. Some categories have been changed to make them more consistent with country classifications used in other national statistics.

### Information: Length of residence in the UK

	count	%
All usual residents	68,878	100.0
Born in the UK	66,583	96.7
10 years or more	1,727	2.5
5 years or more, but less than 10 years	246	0.4
2 years or more, but less than 5 years	190	0.3
Less than 2 years	131	0.2

**Description:** The length of residence in the UK is derived from the date that a person most recently arrived to live in the UK. It does not include returning from a holiday or short stay outside the UK.

Length of residence is only applicable to usual residents who were not born in the UK. It does not include usual residents born in the UK who have emigrated and since returned – these are recorded in the category 'born in the UK'.

**Comparability with 2011:** Highly comparable

### Information: Household language

	count	%
All households	30,822	100.0
All adults have English or Welsh as a main language	30,459	98.8
At least one but not all adults have English or Welsh as a main language	186	0.6
No adults but at least one person aged 3 to 15 years has English or Welsh as a main language	29	0.1
No people in household have English or Welsh as a main language	148	0.5

**Description:** Classifies households by the combination of adults and children (aged 3 to 15 years) within a household that have Welsh or English as their main language.

**Comparability with 2011:** Highly comparable

## 5. Work and travel

### Information: Economic activity

	count	%
All usual residents aged 16 years and over	57,148	100.0
Economically active (excluding full-time students)	30,023	52.5
In employment	28,540	49.9
Unemployed	1,483	2.6
Economically active and a full-time student	842	1.5
In employment	663	1.2
Unemployed	179	0.3
Economically inactive	26,283	46.0
Retired	17,457	30.5
Student	2,279	4.0
Looking after home or family	2,344	4.1
Long-term sick or disabled	2,714	4.7
Other	1,489	2.6

**Description:** People aged 16 years and over are economically active if, between 15 March and 21 March, they were:

- In employment (an employee or self-employed)
- Unemployed, but looking for work and could start within two weeks
- Unemployed, but waiting to start a job that had been offered and accepted



It is a measure of whether or not a person was an active participant in the labour market during this period. Economically inactive are those aged 16 years and over who did not have a job between 15 March to 21 March and had not looked for work between 22 February to 21 March 2021 or could not start within two weeks.

The census definition differs from the International Labour Organization definition used on the labour force survey, so estimates are not directly comparable.

This classification splits out full-time students from those who are not full-time students when they are employed or unemployed. It is recommended to sum these together to look at all of those in employment or unemployed, or to use the four-category labour market classification, if you want to look at those with a particular labour market status.

**Quality information:** As Census 2021 was during a unique period of rapid change, take care when using labour market data for planning purposes.

**Comparability with 2011:** Broadly comparable. Some of the wording on the Census 2021 questionnaire was changes and of the options that people could choose from were removed.

### Information: Hours worked

	count	%
All usual residents aged 16 years and over in employment the week before the census	29,202	100.0
Part-time	9,257	31.7
15 hours or less worked	2,716	9.3
16 to 30 hours worked	6,541	22.4
Full-time	19,945	68.3
31 to 48 hours worked	16,493	56.5
49 or more hours worked	3,452	11.8

**Description:** The number of hours worked per week before the census includes paid and unpaid overtime. This covers the main job of anyone aged 16 years and over.

**Quality information:** As Census 2021 was during a unique period of rapid change, take care when using this data for planning purposes.

**Comparability with 2011:** Highly comparable

### Information: occupation

	count	%
All usual residents aged 16 years and over in employment the week before the census	29,202	100.0
Managers, directors and senior officials	3,167	10.8
Professional occupations	4,716	16.1
Associate professional and technical occupations	3,179	10.9
Administrative and secretarial occupations	2,482	8.5
Skilled trades occupations	4,547	15.6
Caring, leisure and other service occupations	3,638	12.5
Sales and customer service occupations	2,522	8.6
Process, plant and machine operatives	2,065	7.1
Elementary occupations	2,886	9.9

**Description:** Classifies what people aged 16 years and over do as their main job. Their job title or details of activities they do in their job and any supervisory or management responsibilities form this classification. This information is used to code responses to an occupation using the Standard Occupational Classification (SOC) 2020.

**Quality information:** As Census 2021 was during a unique period of rapid change, take care when using this data for planning purposes.

**Comparability with 2011:** Not comparable. We changed the classification for Census 2021 and combined the categories previously available in the 2011 Census data.

## 6. Housing

### Information: Tenure

	count	%
All households	30,824	100.0
Owned: Owns outright	13,756	44.6
Owns with a mortgage or shared ownership	7,351	23.8
Social rented	4,820	15.6
Private rented or lives rent free	4,897	15.9

**Description:** Whether a household owns or rents the accommodation that it occupies.

Owner-occupied accommodation can be:

- Owned outright, which is where the household owns all of the accommodation
- With a mortgage or loan
- Part-owned on a shared ownership scheme

Rented accommodation can be:

- Private rented, for example, rented through a private landlord or letting agent
- Social rented through a local council or housing association

This information is not available for household spaces with no usual residents.

**Quality information:** There is evidence of people incorrectly identifying their type of landlord as 'Council or local authority' or 'housing association'. You should add these two categories together when analysing data that uses this variable.

**Comparability with 2011:** Highly comparable

## 7. Sexual orientation and gender identity

### Information: Sexual orientation

	count	%
All usual residents aged 16 and over	57,149	100.0
Straight or heterosexual	51,430	90.0
Gay or lesbian	620	1.1
Bisexual	470	1.8
Pansexual	25	0.0
Asexual	23	0.0
Queer	4	0.0
All other sexual orientations	24	0.0
Not answered	4,552	8.0

**Description:** Classifies people according to the responses to the sexual orientation question. This question was voluntary and was only asked of people aged 16 years and over.

**Comparability with 2011:** Not comparable. This variable is new for Census 2021 and there is no comparability with the 2011 Census.

### Information: Gender identity

	count	%
All usual residents aged 16 and over	57,149	100.0
Gender identity same as sex registered at birth	53,217	93.1
Gender identity different as sex registered at birth but no specific identity given	66	0.1
Trans woman	34	0.1
Trans man	31	0.1
Non-binary	16	0.0
All other gendered identities	16	0.0
Not answered	3,767	6.6

**Description:** Classifies people according to the responses to the gender identity question. This question was voluntary and was only asked of people aged 16 years and over.

**Comparability 2011:** Not comparable. This variable is new for Census 2021 and there is no comparability with the 2011 Census.

## 8. Education

### Information: Highest level of qualification

	count	%
All usual residents aged 16 and over	57,149	100.0
No qualifications	10,270	18.0
Level 1 and entry level qualifications	4,828	8.4
Level 2 qualifications	8,455	14.8
Apprenticeship	3,752	6.6
Level 3 qualifications	9,930	17.4
Level 4 qualifications or above	18,445	32.3
Other qualifications	1,467	2.6

**Description:** The highest level of qualification is derived from the question asking people to indicate all qualifications held, or their nearest equivalent. This may include foreign qualifications where they were matched to the closest UK equivalent.

The types of qualification included in each level are:

- Level 1 and entry level qualifications: 1 to 4 GCSEs grade A\* to C, Any GCSEs at other grades, O levels or CSEs (any grades), 1 AS level, NVQ level 1, Foundation GNVQ, Basic or Essential Skills

Strategic Equality Plan 2024-2028

- Level 2 qualifications: 5 or more GCSEs (A\* to C or 9 to 4), O levels (passes), CSEs (grade 1), School Certification, 1 A Level, 2 to 3 AS levels, VCEs, Intermediate or Higher Diploma, Welsh Baccalaureate Intermediate Diploma, NVQ level 2, Intermediate GNVQ, City & Guilds Craft, BTEC First or General Diploma, RSA Diploma
- Level 3 qualifications: 2 or more A levels or VCEs, 4 or more AS levels, Higher School Certificate, Progression or Advanced Diploma, Welsh Baccalaureate Advance Diploma, NVQ level 3; Advanced GNVQ, City & Guilds Advanced Craft, ONC, OND, BTEC National, RSA Advanced Diploma
- Level 4 qualifications or above: degree (BA, BSc), higher degree (MA, PhD, PGCE), NVQ level 4 to 5, HNC, HND, RSA Higher Diploma, BTEC Higher level, professional qualifications (for example teaching, nursing, accountancy)
- Other qualifications: vocational or work-related qualifications, other qualifications achieved in England or Wales, qualifications achieved outside England or Wales (equivalent not stated or unknown.)

**Quality information:** There are quality considerations about higher education qualifications, including those at Level 4+, responses from older people and international migrants, and comparability with 2011 Census data.

**Comparability with 2011:** Broadly comparable. The categories for this variable are the same as the ones in the 2011 Census. However, in Census 2021 the question was revised and split up to group together different qualifications. This means that the way people answered the question in Census 2021 cannot be fully compared with the answers from the 2011 Census. For example, some people who hold an older or non-UK qualification when answering the question in Census 2021 may have chosen a higher qualification level than they did in 2011 Census, although they hold the same qualifications.

**Information: Schoolchildren and full-time students**

	count	%
All usual residents aged 5 years and over	65,667	100.0
Student	11,540	17.6
Not a student	54,127	82.4

## 9. Health

### Information: General health

	count	%
All usual residents	68,878	100.0
Very good health	32,788	47.6
Good health	21,937	31.8
Fair health	10,216	14.8
Bad health	3,059	4.4
Ver bad health	878	1.3

**Description:** A person's assessment of the general state of their Health from very good to very bad. This assessment is not based on a person's health over any specific period of time.

**Comparability with 2011:** Highly comparable.

### Information: Long term health problem or disability

	count	%
All usual residents	68,878	100.0
Disabled under the Equality Act: Day-to-day activities limited a lot	6,502	9.4
Disabled under the Equality Act: Day-to-day activities limited a little	7,743	11.2
Not disabled under the Equality Act: Has long term physical or mental health condition but day-to-day activities are not limited	4,399	6.4
Not disabled under the Equality Act: No long term physical or mental health conditions	50,232	72.9

**Description:** People who assessed their day-to-day activities as limited by long-term physical or mental health conditions or illnesses are considered disabled. This definition of a disabled person meets the harmonised standard for measuring disability and is in line with the Equality Act (2010).

**Comparability with 2011:** Broadly comparable. The question related to this variable was split into two parts for Census 2021. In Census 2021 we asked people completing the questionnaire if they have any physical or mental health conditions or illnesses. In the 2011 Census, people were asked if they have a health problem or disability. We also removed the option to include information about problems related to old age.

### Information: Provision of unpaid care

	count	%
All usual residents aged 5 years and over	65,667	100.0
Provides no unpaid care	58,921	89.7
Provides 19 hours or less unpaid care a week	3,025	4.6
Provides 20 to 49 hours unpaid care a week	1,373	2.1
Provides 50 or more hours unpaid care a week	2,348	3.6

This page is intentionally left blank



<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	Full Council
<b>Date:</b>	7 March 2024
<b>Subject:</b>	Polling District and Polling Places Review
<b>Portfolio holder:</b>	Cllr. Carwyn Elias Jones – Council Business and Customer Experience
<b>Lead officer:</b>	Dylan J Williams, Chief Executive and Returning Officer
<b>Contact officer/ author:</b>	Dyfan Sion, Head of Democratic Services
<b>Purpose of report:</b>	Submit the results of the review and seek Council approval for the polling place list.

## **Background**

1. This report provides a summary of the outcome of the 2023/24 review of polling districts and polling places.
2. Local authorities are required to review their polling districts and polling places for parliamentary elections at least once every five years. It is a constitutional requirement that the full Council approve the division of the constituency and electoral divisions into polling districts. <sup>1</sup>
3. The mandatory review period currently open is the 16 months between 1 October 2023 and 31 January 2025. We decided to hold the review early in the statutory window in Anglesey because there are challenging times ahead for the electoral service in 2024, with two elections likely to be held.
4. Parliamentary constituency boundaries, Senedd Cymru constituency boundaries and the boundaries and name of the local authority or its electoral wards are not part of this review process. Instead, it deals with the smaller polling districts and polling places.

---

<sup>1</sup> Sections 3.2.3.19 and 3.2.3.20 of the Constitution

## Review

5. The aim of the review was to ensure that polling places in Anglesey were accessible and reasonable to constituents and that polling facilities were adequate in the circumstances.
6. A consultation on the review took place between 13 November 2023 and 12 January 2024. A public notice was posted on the Council's website along with a list of districts and polling places.
7. All Town and Community Councils were notified of the review by sending a message to the clerks and they were also asked to share the public notice in their communities.
8. The notice was also shared in Council libraries and the information was shared with members of the Council.
9. At the end of the consultation period, there was only one response and the respondent confirmed that he was satisfied that the list was suitable.
10. It is very likely that the lack of response is indicative of a general satisfaction with the distribution and accessibility of Anglesey polling places as a result of regular work that has been undertaken over the years to review polling places.
11. During each election, polling station inspectors will monitor the suitability of the stations and look out for any other suitable facilities or new buildings in the area that may be used as stations in the future. The elections team also reviews the suitability and accessibility of polling places between elections and keeps track of any major changes in polling district population.
12. Because there was no objection to the Council's proposals during the consultation period of the review, we conclude that the polling place list (annex 1) is suitable.

### 13. Recommendations -

- a. That the Council notes the outcome of the review.
- b. That the final proposals set out in **Appendix 1** regarding polling districts, polling places and polling stations be approved by the Council.

## AROLWG LLEFYDD PLEIDLEISIO / POLLING PLACES REVIEW

WARD ETHOLIADOL ELECTORAL WARD	NIFER O SEDDI NO. OF SEATS	TREF/CYMUNED TOWN/COMMUNITY	GOFRESTR REGISTER	WARD CYMUNED COMMUNITY WARD	NIFER O SEDDI NO. OF SEATS	RHIF GORSAF PLEIDLEISIO POLLING STATION NO.	NIFER ETHOLWYR NO. ELECTORS	GORSAF PLEIDLEISIO POLLING STATION
AETHWY	3	PORTHAETHWY	P1	CADNANT	7	15	909	CANOLFAN GOFFA CYMDEITHASOL PORTHAETHWY / WAR MEMORIAL COMMUNITY CENTRE, MENAI BRIDGE
			P2	TYSILO	8	16	1534	YSGOL Y BORTH, PORTHAETHWY / MENAI BRIDGE
		LLANFAIRPWLLGWYNGYLL	SE1	BRAINT	7	55	1153	NEUADD GOFFA LLANFAIRPWLL / LLANFAIRPWLL MEMORIAL HALL
			SE2	GWYNGYLL	7	56	1236	YSGOLDY CAPEL EBENESER, LLANFAIRPWLL / EBENESER CHAPEL SCHOOL ROOM, LLANFAIRPWLL
		PENMYNYDD	SH	PENMYNYDD	8	59	392	CANOLFAN PENMYNYDD
BODOWYR	2	LLANFIHANGEL ESCEIFIOG	SF	LLANFIHANGEL ESCEIFIOG	11	57	1335	NEUADD BENTREF GAERWEN / GAERWEN VILLAGE HALL
		LLANDDANIEL FAB	SG	LLANDDANIEL FAB	9	58	646	YR EFAIL, LLANDDANIEL
		LLANIDAN	SI	LLANIDAN	11	60	823	CANOLFAN CYMUNED BRYNSIENCYN / BRYNSIENCYN COMMUNITY CENTRE
BRO ABERFFRAW	2	ABERFFRAW	CO1	GOGLEDDOL / NORTHERN	2	34	89	NEUADD GLANNAU FFRAW, ABERFFRAW / ABERFFRAW VILLAGE HALL
			CO2	DEHEUL / SOUTHERN	8		319	
			CO3	LLANGWYFAN	2		54	
		BODORGAN	SK1	LLANGADWALADR	3	64	180	YSGOL GYNRADD BODORGAN / BODORGAN PRIMARY SCHOOL
			SK2	TREDFRAETH	7		579	
		RHOSYR	SJ1	NIWBWRCH / NEWBOROUGH	7	61	765	CANOLFAN PRITCHARD JONES, NIWBWRCH / PRITCHARD JONES CENTRE, NEWBOROUGH
			SJ2	LLANGEINWEN	5	62	734	YR HEN FECWS, DWYRAN
SJ3	LLANGAFFO		2	63	264	NEUADD BENTREF LLANGAFFO / LLANGAFFO VILLAGE HALL		
BRO'R LLYNNOEDD	2	BODEDERN	CI	BODEDERN	11	26	833	NEUADD BENTREF BODEDERN / BODEDERN VILLAGE HALL
		Y FALI	CE1	GORAD	4	22	672	YSGOL CYMUNED Y FALI / VALLEY COMMUNITY SCHOOL
			CE2	LLANYNGHENEDL	1		75	
			CE3	Y PENTREF / VILLAGE	5		736	
			CE4	GORLLEWINOL / WEST	3		397	
LLANFAIR YN NEUBWLL	CH	LLANFAIR YN NEUBWLL	11	25	1138	Y NEUADD CAERGEILOG / CAERGEILOG HALL		
CANOLBARTH MÔN	3	LLANGFNI	L2	CYNGAR	5	13	1690	NEUADD EGLWYS SANT GYNGAR, LLANGFNI / LLANGFNI ST CYNGAR CHURCH HALL
			L3	TUDUR	5	14	927	NEUADD Y DREF LLANGFNI / LLANGFNI TOWN HALL
		BOFFORDD	CL1	HENEGLWYS	5	30	425	CANOLFAN CYMUNED BODFFORDD / BODFFORDD COMMUNITY CENTRE
			CL2	BODWROG	3	31	211	NEUADD GOFFA BODWROG / BODWROG MEMORIAL HALL
			CL3	LLANDRYGARN	2	150		
		LLANDDYFNAN	EH1	LLANDDYFNAN	7	48	528	NEUADD BENTREF TALWRN / TALWRN VILLAGE HALL
			EH3	TREGAIA	1	30	64	CANOLFAN CYMUNED BODFFORDD / BODFFORDD COMMUNITY CENTRE
			EH4	LLANGWYLLLOG	2		95	
CEFNI	2	LLANGRISTIOLUS	CN1	LLANGRISTIOLUS	5	33	684	NEUADD YR HENOED, LLANGRISTIOLUS / OLD PEOPLE'S HALL, LLANGRISTIOLUS
			CN2	CERRIGCEINWEN	5		474	
		LLANGFNI	L1	CEFNI	5	12	1309	NEUADD Y DREF LLANGFNI / LLANGFNI TOWN HALL
CRIGYLL	2	BRYNGWRAN	CK1	BRYNGWRAN	8	29	529	CANOLFAN CYMUNED BRYNGWRAN / BRYNGWRAN COMMUNITY CENTRE
			CK2	LLANBEULAN	2		139	
		LLANFAELOG	CJ1	RHOSNEIGR	6	27	617	NEUADD BENTREF RHOSNEIGR / RHOSNEIGR VILLAGE HALL
			CJ2	MAELOG	6	28	579	CANOLFAN CYMUNED LLANFAELOG / LLANFAELOG COMMUNITY HALL
		TREWALCHMAI	CM	TREWALCHMAI	10	32	781	CANOLFAN HENOED GWALCHMAI / GWALCHMAI OAP CENTRE
LLIGWY	3	MOELFRE	EE1	PENRHOSLLIGWY	3	41	193	NEUADD CYMUNED PENRHOSLLIGWY / PENRHOSLLIGWY COMMUNITY HALL
			EE2	LLANALLGO	8	42	561	NEUADD CYMUNEDOL AC EGLWYS MOELFRE / MOELFRE COMMUNITY AND CHURCH HALL
		LLANEUGRAD	EF	LLANEUGRAD	7	43	211	HEN YSGOL MARIANGLAS / OLD SCHOOL MARIANGLAS
			EG1	BRYNTEG	2	44	377	NEUADD BENTREF BRYNTEG / BRYNTEG VILLAGE HALL
		LLANFAIR MATHAFARN EITHAF	EG2	LLANBEDRGOCH	2	45	384	Y CANOLFAN LLANBEDRGOCH / LLANBEDRGOCH CENTRE
			EG3	BENLLECH A	4	46	698	LLYFRGELL BENLLECH / BENLLECH LIBRARY
			EG4	BENLLECH B	6	47	1164	NEUADD CYMUNEDOL A CHYN-FILWYR BENLLECH / BENLLECH COMMUNITY AND EX-SERVICEMEN'S HALL
		LLANDDYFNAN	EH2	LLANFIHANGEL TRE'R BEIRDD	4	49	223	YSGOLDY CAPEL TY MAWR, CAPEL COCH / TY MAWR CHAPEL SCHOOL ROOM, CAPEL COCH
			PENTRAETH	SA	PENTRAETH	11	51	959
		PARC A'R MYNYDD	2	CAERGYBI	HA	PARC A'R MYNYDD	2	5
CAERGYBI	HB			PORTHYFELIN	3	6	1582	NEUADD Y DREF CAERGYBI / CAERGYBI TOWN HALL
SEIRIOL	3	BEAUMARIS	B1	GORLLEWINOL / WEST	7	1	721	CANOLFAN CYMUNED DAVID HUGHES, BIWMARES / DAVID HUGHES COMMUNITY CENTRE, BEAUMARIS
			B2	DWYREINIOL / EAST	3		342	
			B3	CANOLOG / CENTRAL	4		278	
		LLANDDONA	SB1	LLANDDONA	7	52	442	HEN YSGOL LLANDDONA / LLANDDONA OLD SCHOOL
			SB2	LLANIESTYN	2		100	
		LLANGOED	SC1	LLANGOED	9	53	849	NEUADD BENTREF LLANGOED / LLANGOED VILLAGE HALL
			SC2	PENMON	2		207	
		CWM CADNANT	SD1/2	CWM CADNANT	12	54	1706	NEUADD Y PLWYF LLANDEGFAN / LLANDEGFAN PARISH HALL

TALYBOLION	3	CYLCH Y GARN	CA1	LLANRHUDDLAD	7	17	388	CANOLFAN LLANFAIRYNGHORNWY / LLANFAIRYNGHORNWY CENTRE
			CA2	LLANFAIRYNGHORNWY	4		218	
		LLANFAETHLU	CB1	LLANFAETHLU	7	18	318	NEUADD GRIFFITH READE. LLANFAETHLU / GRIFFITH READE HALL, LLANFAETHLU
			CB2	LLANFWROG	2		117	
		TREF ALAW	CC1	LLANDEUSANT	6	19	255	NEUADD BENTREF LLANDEUSANT / LLANDEUSANT VILLAGE HALL
			CC2	LLANBABO	2	37	57	YSGOL GYNRADD CARRGLEFN / CARRGLEFN PRIMARY SCHOOL
			CC3	LLANTRISANT	2	19	96	NEUADD BENTREF LLANDEUSANT / LLANDEUSANT VILLAGE HALL
			CC4	LLECHCYNFARWY	2	20	56	YSGOLDY CAPEL M C CARMEL / CARMEL M C CHAPEL OLD SCHOOL ROOM
		LLANFACHRAETH	CD	LLANFACHRAETH	8	21	492	NEUADD BENTREF LLANFACHRAETH / LLANFACHRAETH VILLAGE HALL
		MECHELL	EB1	LLANFEHELL	8	36	833	CANOLFAN GYMUNED LLANFEHELL / LLANFEHELL COMMUNITY CENTRE
			EB2	CARRGLEFN	3	37	232	YSGOL GYNRADD CARRGLEFN / CARRGLEFN PRIMARY SCHOOL
		LLANNERCHYMEDD	EI1	COEDANA	2	50	228	CAFFI STESION LLANNERCHYMEDD / LLANNERCHYMEDD STATION CAFÉ
			EI2	RHODOGEIDIO	3	50	74	CAFFI STESION LLANNERCHYMEDD / LLANNERCHYMEDD STATION CAFÉ
			EI3			20	136	YSGOLDY CAPEL M C CARMEL / CARMEL M C CHAPEL OLD SCHOOL ROOM
			EI4	LLANNERCHYMEDD	8	50	613	CAFFI STESION LLANNERCHYMEDD / LLANNERCHYMEDD STATION CAFÉ
		TREF CYBI	2	CAERGYBI	HC	Y DREF / TOWN	2	7
HD	FFORDD LLUNDAIN / LONDON ROAD				2	8	1119	WOW TRAINING, CAERGYBI / HOLYHEAD
HE	MORAWELON				2	9	1053	NEUADD GYMUNEDOL DEWI SANT, CAERGYBI / ST. DAVID'S COMMUNITY CENTRE, HOLYHEAD
TWRCELYN	3	AMLWCH	X1	GWLEDIG / RURAL	5	2	1013	NEUADD GOFFA AMLWCH / AMLWCH MEMORIAL HALL
			X2	Y DREF / TOWN	5	3	925	NEUADD GOFFA AMLWCH / AMLWCH MEMORIAL HALL
			X3	Y BORTH / PORT	5	4	872	HEN YSGOL PORTH AMLWCH / OLD SCHOOL, AMLWCH PORT
		LLANBADRIG	EA1	CEMAES	9	35	766	NEUADD BENTREF CEMAES / CEMAES VILLAGE HALL
			EA2	PADRIG	2		180	
		RHOSYBOL	EC1	RHOSYBOL	7	38	611	CANOLFAN GYMUNED RHOSYBOL / RHOSYBOL COMMUNITY CENTRE
			EC2	LLANDYFRYDOG	3	39	254	YSGOLDY CAPEL M C PARC LLANDYFRYDOG / M C CHAPEL SCHOOL ROOM PARC LLANDYFRYDOG
		LLANEILIAN	ED1	EILIAN	6	40	443	NEUADD BENTREF PENYSARN / PENYSARN VILLAGE HALL
ED2	LLWYFO		5	549				
YNYS GYBI	3	CAERGYBI	HF	MAESHYFRYD	3	10	1584	CANOLFAN GYMUNED MILLBANK / MILLBANK COMMUNITY CENTRE
			HG	KINGSLAND	2	11	1181	CANOLFAN GYMUNED KINGSLAND / KINGSLAND COMMUNITY CENTRE
		RHOSCOLYN	CF	RHOSCOLYN	8	23	430	NEUADD EGLWYS ST GWENFAEN, RHOSCOLYN / ST GWENFAEN CHURCH HALL, RHOSCOLYN
		TREARDUR	CG	TREARDUR	12	24	1297	NEUADD GYMUNED TREARDUR / TREARDUR COMMUNITY HALL

<b>Isle of Anglesey County Council</b>	
<b>MEETING:</b>	County Council
<b>DATE:</b>	March 7 <sup>th</sup> , 2024
<b>TITLE OF REPORT:</b>	Membership and constitution of the Standing Advisory Council on Religious Education (SACRE)
<b>AUTHOR:</b>	Jane Ashman
<b>HEAD OF SERVICE</b>	Marc Berw Hughes, Director of Education, Skills and Young People
<b>PURPOSE OF THE REPORT:</b>	For the Council to agree to amend the membership and name of the SACRE following the legislative changes arising as a result of the Curriculum and Assessment (Wales) Act 2021
<b>CONTACT OFFICER:</b>	Jane Ashman

### 1. Background:

Under the Education Act 1996 (EA1996), the Local Education Authority (LEA) has a duty to establish a Standing Advisory Council on Religious Education (SACRE).

As a result of legislative changes to sections 390 to 392 of the EA1996, brought about by the Curriculum and Assessment (Wales) Act 2021 (CA(W)A2021), the requirement that a local authority constitute a SACRE has been replaced, subject to a transitional period, by a requirement to constitute a Standing Advisory Council (SAC) on Religion, Values and Ethics (RVE).

The brief of the SAC is broader than that of SACRE in that it encompasses not only religion but the RVEs (values and ethics) of the new Curriculum for Wales Framework.

In addition to the broader brief, the composition of SAC differs from that of the former SACRE in that it must now include representatives who hold non-religious philosophical convictions.

The EA1996, as amended, stipulates that SAC should include the following group of members (additional elements, as added by the CA(W)A2021 in italics):

- A group of persons that represents the Christian denominations and other religions and denominations of such religions, *and non-religious philosophical convictions* - that in the LEA's judgment, *reflect broadly the proportionate strength of that religion, denomination or non-religious philosophical conviction in the area;*
- A group that represents the associations of those teachers whom the LEA judge should be represented, taking the area's circumstances into consideration; and
- A group to represent the LEA.

It is also possible to have co-opted members; they do not have voting rights.

In order to comply with legislation, and in accordance with [SACRE's decision in November 2020](#) to review its Constitution when legislative changes were introduced by Welsh

Government, work has been done by officers in the Learning Service, and which support SACRE, to review the membership of religious and non-religious representatives.

## 2. Review of Membership:

The legislation does not provide details of which religions, denominations or non-religious philosophical convictions need to be considered for inclusion on SAC. The legislation also does not offer guidance on the data that should be relied upon in order to allocate seats; it details that it is a decision for the LEA based on a view that the membership broadly reflects the proportionate strength of that religion, denomination or non-religious philosophical conviction in the area.

The current membership of relevant representatives, which has not been reviewed for many years, includes six Christian denominations and no representatives from other religions or non-religious philosophical convictions.

Officers from Learning Service have undertaken a desktop analysis of religious and non-religious groups in Anglesey. The detail of the process undertaken and the findings made are as follows:

### ➤ **Census:**

The review conducted by officers from the Learning Service considered the [results, for Anglesey, of the religion question within the 2021 Census](#) as a starting point, whilst bearing in mind that the Census question on religion was an optional one and so the results may not be an absolute reflection of the population's religious/non-religious beliefs, but it should be noted that only 6.5% of the people of Anglesey did not answer this question. The full results are included in **Enclosure 1**.

### ➤ **Further investigation:**

Correspondence was sent by officers from the Learning Service to the groups listed in **Enclosure 2** to this report with a request for information on membership numbers for Anglesey. Correspondence was initially sent on 11.08.2023; a reminder was sent on 18.08.2023 with a request for responses by 23.08.2023. To ensure that all groups were given a reasonable opportunity to respond to this request for information, and so that contact could be made with representatives from the Quaker denomination and Sikhism religion (who were not included in the first cohort), further correspondence was sent by officers from the Learning Service on 06.10.2023, and a reminder sent on 25.10.2023; responses were expected by 06.11.2023. Details of the responses received by the Learning Service, are included in **Enclosure 2**.

## 3. Conclusion:

The data obtained in this exercise is incomplete.

- The Census information (**Enclosure 1**) provides a general view of religion/non-religion on Anglesey but it does not provide the detail to ascertain the strength of the different denominations.
- There have been very few responses to the correspondence sent by the Learning Service to the identified groups detailed in **Enclosure 2**.

Whilst it is acknowledged that the following recommendation is based on the imperfect data currently available, it follows reasonable attempts by the Learning Service to

ascertain the relevant information. It is unlikely that allowing a delay in order to carry out further consultation would result in any further data being made available; this recommendation is therefore considered to be a reasonable proposal in all the circumstances.:-

## **A. Christianity**

As the Census figures show that Christianity is the most populated answer to this query and remains the strongest religion in Anglesey (35,485 people / 51.5%) it is reasonable and in accordance with the legislation that it continues to hold the majority of seats on SAC.

There are many denominations within Christianity. The Census does not explore in any more detail than this and so it isn't possible to determine information about the different denominations that make up this response.

Six different denominations are currently represented on SACRE, namely Presbyterian Church of Wales; Baptist Union of Wales; Union of Welsh Independents; Catholic Church; Methodist Church and Church in Wales. These, and others, were contacted by the Learning Service for current membership figures; the responses are included in **section (a) of Enclosure 2**.

Whilst there are only limited direct responses to requests for membership numbers from many of the Christian denominations, it is apparent that Church in Wales, Catholics and protestant non-conformists are represented in Anglesey, and on that basis **it is suggested that the six current Christian denominations continue to be offered one seat each on SAC**.

As noted in **section (a) of Enclosure 2**, there are 500 Jehovah's Witness members on Anglesey, a figure that is far higher than the membership numbers obtained from the Baptist Union of Wales and the Methodist Church (both of whom are already represented on SACRE). The response is similar to the membership number for the Union of Welsh Independents (a representative of whom already has a seat on SACRE). On the basis of this figure, obtained directly in response to the Learning Service's enquiries with them, **it is suggested that a Jehovah's Witness representative be allocated a seat on SAC**.

## **B. No religion**

The second most populated answer to the Census question was that of "no religion" (28,066 people / 40.7%). This is a wide-ranging response and can include a range of individuals that may or may not identify with a belief system e.g. atheist; agnostic; spiritual but not religious, etc.; though it is apparent from the Office for National Statistics' data (**Enclosure 1**) that some members of these groups have noted their response under "other" rather than "no religion", and so the number is not entirely reliable. The option 'other' had a result of 0.4% in Anglesey.

It is reasonable to consider that a percentage of those that responded as having "no religion" are not part of any group, and on that basis, there is no obvious representative for this large proportion of the population. It is not possible to appoint an individual that simply identifies as being of "no religion"; the individual must be a representative of a *non-religious philosophical conviction*, the statutory definition of which must show a conviction

(not an idea or an opinion) that attains a certain level of cogency, seriousness, cohesion and importance.

Possible groups that satisfy this definition of a *non-religious philosophical conviction* were identified and contacted by the Learning Service officers; their responses are included in **section (b) of Enclosure 2**.

On the basis that the relevant SAC representatives must now include representation of persons who hold a non-religious philosophical conviction, if the LEA considers that appointing such persons reflects the proportionate strength of that religion, denomination or non-religious philosophical conviction in the area, it appears reasonable that a seat is offered to a group that can satisfy this definition.

Whilst the numbers for Humanists UK members in Anglesey is unknown, on the basis no other groups are known / information known to be able to consider, **it appears reasonable to offer a seat on SAC to a representative of Humanists UK in order to ensure there is representation for a non-religious philosophical conviction perspective on the Isle of Anglesey County Council's SAC.**

It is accepted that Humanists UK do not represent the views of all those identifying as having "no religion" or "other" in the Census. However, as an organisation, it satisfies the legislative definition of representing persons with a non-religious philosophical conviction. Humanists UK have seats on several other SACs too.

### **C. Other non-Christian religions**

The Census figures (**Enclosure 1**) indicate very low numbers for other non-Christian religions, ranging from 328 (Muslim) to Jewish and Sikh, both with 30 each. **Section (c) of Enclosure 2** details the responses received to the correspondence from the Learning Service from those religions identified on the Census list of possible responses.

The Census results show that the strongest non-Christian religion in Anglesey is Islam. It is therefore reasonable to **allocate one seat to a representative of Islam on SAC.**

## **4. Possible Options**

### Do nothing and fail to meet statutory requirements.

- Not updating the membership requirement for SAC runs the risk that the Authority is not meeting its legal obligations and that SAC is not properly constituted, thereby exposing any decision the SAC makes to the potential risk of legal challenge.

### Make changes that comply with statutory requirements.

- Recommending the proposed changes will help to ensure the Authority is complying with its legal requirement for SAC.
- The Committee must contain representatives from other interests (as detailed in section 1 of this report) in order to function as a working committee; the proposal to have a total of 9 religious/non-religious representatives is reasonable and complies with the legal requirement.



## 5. Recommendation:

- 1) That full Council agrees to amend the name for SACRE to SAC and for its terms of reference to be included in the Council's Constitution by the Monitoring Officer, in accordance with the legislative requirement for SAC; and
- 2) That on the basis the local authority must take all reasonable steps to secure that the membership is broadly proportionate to the strength of each religion, denomination, or non-religious philosophical conviction, in its local area, full Council agrees that the membership of SAC includes a total of 9 seats, made up of 6 seats to the current members and an additional 3 new seats, as follows:

<b>1</b>	<b>Humanists UK (<i>additional</i>)</b>
<b>2</b>	<b>Baptist Union of Wales</b>
<b>3</b>	<b>Islam (<i>additional</i>)</b>
<b>4</b>	<b>Jehovah's Witness (<i>additional</i>)</b>
<b>5</b>	<b>Presbyterian Church of Wales</b>
<b>6</b>	<b>Union of Welsh Independents</b>
<b>7</b>	<b>The Catholic Church</b>
<b>8</b>	<b>Methodist Church</b>
<b>9</b>	<b>Church in Wales</b>

- 3) Conduct a further review, within 6 months, of the current Christian seats (thus excluding Jehovah's Witnesses from the next consultation) following comments made when SACRE was consulted and the figures that have been received.

**2021 Census results for Anglesey**

The religion people connect or identify with, as detailed in the 2021 Census results for Anglesey (and following the same reporting order):

	<b>Number of responses in the 2021 Census</b>
No religion	40.7% (28,066)
Christian	51.5% (35,485)
Buddhist	0.2% (154)
Hindu	0.1%(62)
Jewish	0% (30)
Muslim	0.5% (328)
Sikh	0% (30)
Other religion	0.4% (278)
Not answered	6.5% (4,446)

[The Office for National Statistics](#) details that, of those that answered “other” across England and Wales (not specific for Anglesey) the following were some of the more common religious groups noted: Alevi, Jain, Pagan, Ravidassia, Rastafarian, Shamanism, Wicca and Zoroastrian; and the non-religious groups named were: Agnostic, Atheist and Humanist.

**Enclosure 2**

**Membership of different groups/organisations on Anglesey**

An email/contact form was sent by the Learning Service to the listed groups on 11.08.2023 to request membership numbers. A reminder email was sent on 18.08.2023 asking for a response by 23.08.2023.

Further contact was made by the Learning Service on 06.10.2023 to those groups that had not responded to the above request for information. Responses were requested by 6.11.2023. A telephone call / email reminder was made on 25.10.2023.

**a. Christian Denominations:**  
**Number of responses in the 2021 Census: 35,485**

	<b>Number of members in Anglesey detailed by each group</b>
<b>Quaker</b>	25
<b>Presbyterian Church of Wales</b>	No response received*
<b>English Presbyterian Church</b>	No contact details could be ascertained **
<b>Pentecostal Church</b>	135
<b>Pioneer Church</b>	80
<b>Jehovah's Witness</b>	500
<b>Baptist Union of Wales</b>	168***
<b>Union of Welsh Independents</b>	488
<b>The Catholic Church</b>	255****
<b>Methodist Church</b>	61
<b>Church in Wales</b>	No response received

\*The figure of 962 has been received by the Presbyterian Church of Wales following the consultation with SACRE.

\*\*It has been confirmed following the consultation with SACRE that the English Presbyterian Church is part of the figure for the Presbyterian Church of Wales. The Presbyterian Church of England is no longer active in Wales.

\*\*\*The figure of 196 has been received from the Baptist Union of Wales following the consultation with SACRE.

\*\*\*\* Following the consultation with SACRE, the Catholic Church has confirmed that this is the number that attended Anglesey Churches on a specific Sunday during the Autumn 2023 and not the total number of members.

**b. No religion:**  
**Number of responses in the 2021 Census**

- No religion 40.7% (28,066)
- Not answered 6.5% (4,446)
- Other 0.4% (278)

	<b>Number of responses in the 2021 Census</b>	<b>Number of members in Anglesey detailed by each group</b>
Humanist UK	Not an option in the Census	Unknown. 4,000 in Wales.
Anglesey Druid Order	Not an option in the Census	No response received

**c. Other religions:**

	<b>Number of responses in the 2021 Census</b>	<b>Number of members in Anglesey detailed by each group</b>
--	---	---

## Enclosure 2

Buddhism	154	No contact details available. Closest group is Llandudno.
Hinduism	62	No contact details available. No references online to any Hindu temples or societies in North Wales.
Judaism	30	Response details this information is unknown. Closest group is Llandudno.
Islam	328	Response details this information is unknown. No mosques in Anglesey; Bangor Islamic Centre is closest.
Sikhism	30	No response received

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>MEETING:</b>	County Council
<b>DATE:</b>	07/03/2024
<b>TITLE OF REPORT:</b>	Pay Policy Statement 2024
<b>REPORT BY:</b>	Councillor Carwyn E Jones
<b>PURPOSE OF REPORT:</b>	To ensure that the Authority satisfies its statutory obligations under the Localism Act 2011 to have a published Pay Policy by 31.3.24

## INTRODUCTION

Under Section 112 of the Local Government Act 1972 the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. The Localism Act of 2011, Section 38, requires English and Welsh local authorities to produce and publish a pay policy statement for each financial year.

## SCOPE OF THE POLICY

The Localism Act 2011 requires authorities to develop and make public their pay policy on all aspects of Chief Officer Remuneration. In the interest of transparency and accountability the Council has chosen to take a broader approach and produce a policy statement covering all employee groups, with the exception of school teachers as their remuneration is not within local authority control. Welsh Government guidelines have been incorporated into the statement.

## RECOMMENDATION

It is recommended that the Council endorse the Pay Policy Statement attached to this report as its Pay Policy Statement for 2024/25.

Appendix 1 Pay Policy Statement

# ISLE OF ANGLESEY COUNTY COUNCIL

## PAY POLICY STATEMENT

FEBRUARY 2024

### 1. Introduction and Purpose

Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. This Pay Policy Statement (the ‘statement’) sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011, requiring English and Welsh local authorities to produce and publish a pay policy statement for each financial year. The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees (excluding those teaching in local authority schools) by identifying;

- the methods by which salaries of employees are determined;
- the level and elements of remuneration of its chief officers as defined by the relevant legislation;
- the level of remuneration of its lowest paid employees;

Local authorities are large complex organisations with multi-million pound budgets. They have a very wide range of functions and provide and/or commission a wide range of essential services. The general approach to remuneration levels may therefore differ from one group of employees to another to reflect specific circumstances at a local, Welsh or UK national level. It also needs to be flexible when required to address a variety of changing circumstances and aligned to business objectives.

### 2. Legislative Framework

In determining the pay and remuneration of its employees, the Council will comply with all relevant employment legislation. This includes (but not exhaustively) the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Employment) Regulations 2006.

### 3. Scope of the Pay Policy Statement

The Localism Act 2011 requires authorities to develop and make public their pay policy on all aspects of Chief Officer Remuneration (including on ceasing to hold office), and that pertaining to the ‘lowest paid’ in the authority, explaining their policy on the relationship between remuneration for senior management and other employees, with the exception of school teachers as their remuneration is not within local authority control.

Nothing within the provisions of the Localism Act 2011 detracts from councils’ autonomy in making decisions on pay that are appropriate to local circumstances and which deliver value for money for local tax payers. However, this policy statement will be complied with in setting remuneration levels for all groups within its scope.

This pay policy does not apply to teaching staff in the local authority's schools, who will have their own pay policy.

#### **4. Development of Pay and Reward Strategy**

The primary aim of a reward strategy is to attract, retain and motivate suitably skilled staff so that the organisation can perform at its best. One of the biggest challenges for the Council is to maximise productivity and efficiency within current resources. Pay policy is a matter of striking a sometimes difficult balance between setting remuneration at appropriate levels to facilitate a sufficient supply of appropriately skilled individuals to fill the authority's very wide range of posts, and ensuring that the burden on the taxpayer does not become greater than can be fully and objectively justified.

In this context it does need to be recognised that at the more senior levels in particular, remuneration levels need to enable the attraction of a suitably wide pool of talent and the retention of suitably skilled and qualified individuals once in post. It should be recognised that the Council will often be seeking to recruit in competition with other good public and private sector employers.

The Council is a major employer in the area and, as such, must have regard to its role in improving the economic well-being of the people of Anglesey. The availability of good quality employment on reasonable terms and conditions and fair rates of pay has a beneficial impact on the quality of life in the community as well as on the local economy. The Council also has a role in setting a benchmark example on pay and conditions to other employers in the area for the same reasons.

In designing, developing and reviewing pay and reward strategy the Council will seek to balance these factors appropriately to maximise outcomes for the organisation and the community it serves, whilst managing costs appropriately and maintaining sufficient flexibility to meet future needs. This Pay Policy Statement will be reviewed and approved on an annual basis by the Full Council.

#### **5. Pay Structure**

The Council uses the nationally negotiated NJC pay spine as the basis for its local grading structure. This determines the salaries of the large majority of the non-teaching workforce, together with the use of other nationally defined rates where relevant. An annual pay award for NJC employees covering the period from 1 April 2023 to 31 March 2024 has been agreed. The Council remains committed to adherence with national pay bargaining in respect of the national pay spine and any annual cost of living increases negotiated in the pay spine. The Council is committed to fairly determining pay in accordance with equal pay legislation and has, from 1 December 2015, implemented a Single Status pay and grading structure. The Council's NJC grading structure runs from Grade 1 (scp 3) to Grade 10 (max scp 50) with current minimum and maximum hourly rates of pay being £11.79 and £31.64 respectively. This Pay Policy Statement will be subsequently revised if and when a pay award for 2024/25 is agreed.

Once a post has been evaluated, the score will determine into which pay grade or band the post will be assimilated. New appointments will normally be made at the minimum of the

relevant grade, although this can be varied where necessary to secure the best candidate, with the agreement of the Head of Service – HR & Transformation. Salaries are then subject to an incremental increase each year until the maximum rate of the grade is reached (normally within 3 years).

All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by Council Policy.

The Council does not generally utilise the practice of applying market supplements to take account of the external pay market in the attraction and retention of employees with particular experience, skills and capacity. However, a Market Supplement Policy exists and, in implementing this, the Council will ensure that any application for market supplements will be objectively justified by reference to clear and transparent evidence of successive failure to recruit to a particular post and evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector. The Council, through its Secondments and Honoraria Policy, can also apply temporary honoraria to individuals who, for various reasons, are acting up to a higher level of responsibility for a period of time.

The Council expects high levels of performance from all employees and has an Annual Appraisal Scheme in place to monitor, evaluate and manage performance on an ongoing basis. However, the Council does not operate any performance related pay arrangements. The Council's Appraisal process forms the basis of the approach to talent management and succession planning. Based on the analysis of the performance and potential of employees, managers can plan relevant talent actions, considering everyone as an individual, the development they need, making them feel rewarded and enabling them to be effective in their role within the Council. The main part of the process is the open, honest and constructive conversation between the manager and the employee to establish where they are now, where they want to be and how they can be supported to get there.

## **6. Other Benefits**

Subject to qualifying conditions, all employees have a right to join the Local Government Pension Scheme. The employee contribution rates, which are defined by statute, currently vary between 5.8% - 11.4% of salary, dependent upon defined pay bands relating to whole-time equivalent salary. The Employer contribution rates are set by Actuaries advising the Gwynedd Pension Fund and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The rate from 1.4.2023 will be 20.1% and is applicable until 31.3.2026.

The Council has a range of other terms and conditions applicable to its employees, based largely upon National Joint Council terms and conditions, supplemented by locally negotiated conditions and policies. Certain of these terms and conditions result in monetary payments, including car loans, payment of professional fees and honoraria payments for undertaking additional responsibilities. No bonuses are paid. For relevant 'additions to salary of Chief Officers', see paragraph 10 below. Staff terms and conditions are reviewed on a regular basis in consultation and negotiation with our recognised trade unions.



## 7. Equal Pay and Gender Pay Gap Reporting

The Council is committed to the principle of equal opportunities and equal treatment for all employees. It has a clear policy of paying employees equally for the same or equivalent work, regardless of their sex and evaluates job roles and pay grades as necessary to ensure a fair structure. The Council reports its gender pay gap figure annually to the Office for National Statistics. While the Council does have a negative gender pay gap, it is confident that this pay gap does not stem from paying men and women differently for the same or equivalent work and is pleased to report that its mean gender pay gap continues to be below the national average.

The Council's gender pay gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract. While the Council employs more women than men overall, they are not evenly spread across the grades. The majority of staff at lower grades are women. Any pay awards are implemented at all grades therefore will not reduce the gender pay gap significantly. However, the Council is committed to addressing its gender pay gap by supporting women at all levels of the organisation to develop and further their careers.

## 8. Senior Management Remuneration

For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act. The following posts are identified as falling within the statutory definition of 'senior management' in the context of this statement:-

- a) Chief Executive (who is also the Head of Paid Service) – the senior officer who leads and takes responsibility for the Authority, working closely with elected members to deliver the Authority's aims and objectives.
- b) Senior Leadership Team - Deputy Chief Executive, Director of Function (Resources)/Section 151 Officer, Director of Function (Council Business)/Monitoring Officer, Director of Social Services and Director of Education, Skills & Young People
- c) Heads of Service – Children & Families/Deputy Director of Social Services, Adult Services, HR & Transformation, Housing, Highways, Waste & Property and Regulation & Economic Development

In 2019 all job descriptions within the Senior Management structure were evaluated in accordance with the Local Government Association (LGA) Job Evaluation Scheme for senior officers and externally validated by the LGA. The scores were then translated into a salary structure (again reviewed by the LGA and shown below) prior to submission to the Independent Remuneration Panel for Wales (IRP) who confirmed their full support for the proposed grading and salary structure.

A Chief Executives' and Chief Officers' pay award for 2023/24 has been agreed during 2023. As currently no further pay awards for 2024/25 have been offered or agreed on publication of this report, senior management basic remuneration as at **1<sup>st</sup> April 2024** will therefore be as follows:

### **LGA Salary structure Senior Management Team –**

LGA Grade	Post	Salary 01/04/2023
LGA 1		
LGA 2	Heads of Service	£85,097
LGA 2A	Director of Function Monitoring Officer	£86,596
LGA 3	Directors / Director of Function S151 Officer	£95,577
LGA 4	Deputy Chief Executive	£106,587
LGA 5	Chief Executive	£128,608

<u>Senior Officer</u>	<u>Remuneration</u>
Chief Executive – LGA5	£128,608 per annum (non-incremental) This officer is as also the Head of Paid Service and will also receive additional fees for Returning Officer duties
Senior Leadership – LGA2A-LGA4 -	£86,596 - £106,587 per annum
Heads of Service – LGA2	£85,097 per annum

No other additional special allowances, increments or bonuses are included in the remuneration arrangements.

The Council's Appointments Committee convenes to consider and provide recommendations to the Council on levels of pay and reward for the above three tiers of senior officers. The scope of the Committee is to:-

- Make recommendations on senior pay and reward issues to Council, ensuring consistency, transparency and accessibility.
- Make recommendations on the management of and structure of senior pay and reward, and grounds for pay progression
- Make recommendations to the full Council on the appointment of senior management

Section 143A of the Local Government (Wales) Measure 2011 gives the Independent Remuneration Panel for Wales ("the IRP") powers to make recommendations in relation to the salary of the Chief Executive (who is also the Head of Paid Service), or any proposed

changes to the salary of the Chief Executive. The Council will consider any recommendations received from the IRP in relation to remuneration for its Chief Executive.

## **9. Recruitment of Chief Officers**

The Council's policy and procedures with regard to recruitment of Chief Officers is set out within the Officer Employment Procedure Rules as set out in Part 4.10 of the Constitution. When recruiting to all posts the Council will take full and proper account of its own Equal Opportunities, Recruitment and Selection, and Redeployment Policies. The determination of the remuneration to be offered to any newly appointed Chief Officer will be in accordance with the agreed pay structure and relevant policies in place at the time of recruitment.

Where the Council is unable to recruit Chief Officers under a contract of service, or there is a need for interim support to provide cover for a vacant substantive Chief Officer post, the Council will, where necessary, consider engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process, ensuring the council is able to demonstrate the maximum value for money benefits from competition, in securing the relevant service.

In line with Welsh Government regulations, it is the Council's policy that the full Council is offered the opportunity to vote on remuneration and any restructures at senior management level, regardless of salary levels. Welsh Government regulations also specify that all posts attracting a salary of £100,000 or higher must be advertised externally if the duration of the post is expected to be for 12 months or more.

## **10. Pay Awards**

The Council employs its Chief Executive and Chief Officers under JNC terms and conditions which are incorporated in their contracts. The JNC for Chief Executives and Chief Officers negotiates on national (UK) annual cost of living pay increases for this group, and any award of same is determined on this basis. The Chief Executive and Chief Officers employed under JNC terms and conditions are contractually entitled to any national JNC determined pay rises and this council will therefore pay these as and when determined in accordance with current contractual requirements.

## **11. Additions to Salary of Chief Executive & Chief Officers**

The Chief Executive and Chief Officers are subject to the same qualifying criteria and arrangements as other employees with regard to receipt of additional monetary-based terms and conditions, including mileage payments and reimbursement of professional fees.

## **12. Payments on Termination**

The Council's approach to statutory and discretionary payments on termination of employment of its Chief Executive and Chief Officers and all employees falling within the scope of this statement, prior to reaching normal retirement age, is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership

and Contribution) Regulations 2007. Any enhancements provided within the Council's policy are applied to all staff, irrespective of grade or status.

Full Council will have an opportunity to vote on all severance packages over £100,000, the total amount to include severance pay, salary paid in lieu of notice and the cost to the Council of the strain on the pension fund arising from providing early access to pension. Any other severance payments falling outside the provisions of contractual terms shall be subject to a formal decision made by the full Council or relevant elected members, committee or panel of elected members with delegated authority to approve such payments. The Council will have due regard to Best Value in considering whether it is appropriate to make any special severance payments, and whether such a payment would be a proper use of public money.

The Council does not currently have any instances of re-engagement of retired Chief Officers. If circumstances arose where this needed to be considered for business-critical reasons, any such decision would be made by the full Council or relevant elected members, committee or panel of elected members with delegated authority to approve such arrangements, and be in line with the Council's Restructuring & Redundancy Policy as noted below.

The Council's Restructuring & Redundancy Policy states that any employee who leaves the employment of the Council on voluntary redundancy terms will not be re-employed by the Council for the duration of the redundancy compensation payment period received, e.g. if a member of staff receives 45 weeks' redundancy payment, they cannot be re-employed by the Council for 45 weeks after the termination date. This period will be extended to 12 months if the employee is also in receipt of a pension for which the Council has incurred additional costs. Any re-employment sooner than that noted above would have to be with the express authorisation of the Senior Leadership Team and the Head of Service – HR & Transformation who would consider each case on its merits.

### **13. Lowest Paid Employees**

The lowest paid persons employed under a contract of employment with the Council are employed on full time 37 hours equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. As at 1 April 2023, and subject to any future pay offer for 2024/25 being agreed early in 2024, this point is the current nationally agreed scale point 3 of £22,737 per annum, or £11.79 per hour, compared with the National Living Wage of £11.44 per hour at 1 April 2024 and the current Real Living Wage (set in October 2023) of £12 per hour.

The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.

The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that the

relationship to median earnings was a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the Council's workforce.

As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate. When expressed as a multiplier of pay, the Chief Executive's salary is 5.65:1 greater than that of the Council's lowest earner.

#### **14. External Contractors**

The Council will utilise its procurement processes to ensure that fair and ethical pay practices are adopted by external contractors commissioned to deliver services.

#### **15. Publication**

Upon approval by the full Council, this statement will be published on the Council's Website. In addition, for posts where the full time equivalent salary is at least £60,000, the Council's [Annual Statement of Accounts](#) will include a note setting out the total amount of

- salary, fees or allowances paid to or receivable by the person in the current and previous year;
- any sums payable by way of expenses allowance that are chargeable to UK income tax;
- any compensation for loss of employment and any other payments connected with termination;
- any benefits received that do not fall within the above.

#### **16. Accountability & Decision Making**

Section 54 of the Local Government & Elections (Wales) 2021 Act 1 requires the Chief Executive to keep continuously under review the arrangements for the recruitment, pay and grading of the Council's staff.

#### **17. Monitoring**

This Pay Policy Statement will be reviewed annually and presented annually to a meeting of the full Council either in February or March, following which it will be published on the Council's website.

The Council has considered all current guidance in the development of this pay policy but should further amended guidance be received, or subsequent pay awards agreed, the Council may decide to amend its policy with full Council approval. The revised version will be published on the website.

*February 2024*

This page is intentionally left blank